A

CONTRACT TO CHARTER A PUBLIC SCHOOL ACADEMY AND RELATED DOCUMENTS

ISSUED BY

THE GRAND VALLEY STATE UNIVERSITY BOARD OF TRUSTEES (AUTHORIZING BODY)

ISSUED TO

DETROIT ENTERPRISE ACADEMY (A PUBLIC SCHOOL ACADEMY)

CONFIRMING THE STATUS OF

DETROIT ENTERPRISE ACADEMY

AS A

PUBLIC SCHOOL ACADEMY

DATED: JULY 1, 2012

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Contract to Charter a Public School Academy

Pursuant to Part 6a of the Revised School Code ("Code"), being Sections 380.501 to 380.507 of the Michigan Compiled Laws, the Grand Valley State University Board of Trustees ("University Board") issues a contract to Detroit Enterprise Academy (the "Academy"), to be effective July 1, 2012, confirming the Academy's status as a public school academy in this State. The Parties agree that the issuance of this Contract is subject to the following Terms and Conditions:

ARTICLE I

DEFINITIONS

- Section 1.1. <u>Certain Definitions</u>. For purposes of this Contract, and in addition to the terms defined throughout this Contract, each of the following words or expressions, whenever capitalized, shall have the meaning set forth in this section:
 - a) **Academy** means the Michigan non-profit corporation authorized by this Contract.
 - b) **Academy Board** means the Board of Directors of the Academy authorized by this Contract. **Academy Board member** or **Academy Director** means an individual who is a member of the Academy Board, whether in the past, present or future.
 - c) **Applicable Law** means all state and federal law applicable to public school academies.
 - d) **Applicant** means the person or entity that submitted the public school academy application to the University for the establishment of the Academy.
 - e) **Application** means the public school academy application and supporting documentation submitted to the University for the establishment of the Academy.
 - f) **Authorization Resolution** means the resolution adopted by the Grand Valley State University Board of Trustees approving the issuance of a Contract.
 - g) Charter School means public school academy.
 - h) **Code** means the Revised School Code, Act No. 451 of the Public Acts of 1976, as amended, being Sections 380.1 to 380.1852 of the Michigan Compiled Laws.
 - i) **Contract** means, in addition to the definitions set forth in the Code, the Terms and Conditions and the Schedules.
 - j) **Educational Service Provider or "ESP"** means an educational management organization as defined under section 503c of the Code, MCL 380.503c, that

has entered into a contract or agreement with the Academy Board for operation or management of the Academy, which contract has been submitted to the University Charter Schools Office Director for review as provided in Section 11.11 and has not been disapproved by the University Charter Schools Office Director, and is consistent with the Charter Schools Office Educational Service Provider Policies, as they may be amended from time to time, and Applicable Law.

- k) Fund Balance Deficit means the Academy has more liabilities than assets at the end of any given school fiscal year, and includes any fiscal year where the Academy would have had a budget deficit but for a financial borrowing from, or monetary contribution by an Educational Service Provider or other person or entity to the Academy. If the Academy receives a gift or grant of money or financial support from an Educational Service Provider or other person or entity that does not require repayment by the Academy, and is not conditioned upon the actions or inactions of the Academy Board, then such gift or grant shall not constitute a financial borrowing or contribution for purposes of determining a Fund Balance Deficit.
- 1) Management Agreement or ESP Agreement means an agreement as defined under section 503c of the Code, MCL 380.503c that has been entered into between an ESP and the Academy Board for operation and/or management of the Academy, which has been submitted to the University Charter Schools Office Director for review as provided in Section 11.11 and has not been disapproved by the University Charter Schools Office Director, and is consistent with the CSO Educational Service Provider Policies as they may be amended from time to time, and Applicable Law.
- m) Master Calendar of Reporting Requirements (MCRR) means the compliance certification duties required of the Academy by the University Board. The University Charter Schools Office may amend the MCRR each fiscal year or at other times as deemed appropriate by the University President. These changes shall be automatically incorporated into the Contract and shall be exempt from the Contract amendment procedures under Article IX of these Terms and Conditions.
- n) **Method of Selection Resolution** means the resolution adopted by the University Board providing for the method of selection, length of term, number of members, qualification of Board Academy members and other pertinent provisions relating to the Academy Board.
- o) **Resolution** means any resolution adopted by the Grand Valley State University Board of Trustees.
- p) **Schedules** mean the schedules incorporated into and part of the Terms and Conditions

- q) **Terms and Conditions** means this document entitled Terms and Conditions of Contract issued by the Grand Valley State University Board of Trustees.
- r) **University** means Grand Valley State University established pursuant to Article VIII, Sections 4 and 6 of the 1963 Michigan Constitution and MCL 390.841 *et seq*.
- s) **University Board** means the Grand Valley State University Board of Trustees.
- t) University Charter Schools Hearing Panel or Hearing Panel means such person(s) as designated by the University President.
- u) University Charter Schools Office or CSO means the office the University Board, by issuance of this Contract, hereby designates as the point of contact for public school academy applicants and public school academies authorized by the University Board. The University Charter Schools Office is also responsible for managing, implementing, and overseeing the University Board's responsibilities with respect to the Contract.
- v) University Charter Schools Office Director or CSO Director means the person designated by the University President to administer the operations of the University Charter Schools Office.
- w) **University President** means the President of Grand Valley State University or his or her designee.
- Section 1.2. Schedules. All Schedules to this Contract are part of this Contract.
- Section 1.3. <u>Statutory Definitions</u>. Statutory terms defined in the Code shall have the same meaning in this Contract.
- Section 1.4. <u>Application</u>. The Application submitted to the University Board for the establishment of the Academy is incorporated into, and made part of, this Contract. In the event that there is an inconsistency or dispute between materials in the Application and the Contract, the language or provisions in the Contract shall control.
- Section 1.5. <u>Conflicting Contract Provisions</u>. In the event that there is a conflict between the language contained in the provisions of this Contract, the Contract shall be interpreted as follows: (i) the Method of Selection Resolution shall control over any other conflicting language in the Contract; (ii) the Authorizing Resolution shall control over any other conflicting language in the Contract with the exception of language in the Method of Selection Resolution; (iii) the Terms and Conditions shall control over any other conflicting language in the Contract with the exception of language in the Method of Selection Resolution and the Authorizing Resolution; and (iv) the Articles of Incorporation shall control over any other conflicting language in the Contract with the exception of language in the Method of Selection Resolution, Authorizing Resolution and these Terms and Conditions.

ARTICLE II

ROLE OF GRAND VALLEY STATE UNIVERSITY BOARD OF TRUSTEES AS AUTHORIZING BODY

- Section 2.1. <u>University Board Resolutions</u>. For purposes of this Contract, the University Board has adopted the following resolutions:
- (a) Method of Selection Resolution. The University Board has adopted the Method of Selection Resolution, which is incorporated into this Contract as part of Schedule 1. At anytime and at its sole discretion, the University Board may amend the Method of Selection Resolution. Upon University Board approval, changes to the Method of Selection Resolution shall automatically be incorporated into this Contract and shall be exempt from the amendment procedures under Article IX of the Terms and Conditions.
- (b) <u>Authorizing Resolutions</u>. The University Board has adopted the Authorizing Resolution, which is incorporated into this Contract as part of Schedule 1.
- Section 2.2. <u>Method for Monitoring Academy's Compliance with Applicable Law and Performance of its Targeted Educational Outcomes</u>. The University Board has the responsibility to oversee the Academy's compliance with the Contract and all Applicable Law. The Academy shall perform the compliance certification duties required by the University Board as outlined in the Contract incorporated into this Contract as Schedule 5. Additionally, the Academy shall be responsible for the following:
 - a) In the event that the University President determines that the Academy's educational outcomes should be reviewed to help determine if the Academy is meeting the educational goals set forth in the Schedules, the University President, at his or her discretion, may require an objective evaluation of student performances by an educational consultant, acceptable to both the Academy and the University President. The Academy shall pay for the expense of the evaluation. In addition, at any time, the University President may require an evaluation of student performance to be selected by and at the expense of the University. The Academy shall cooperate with the evaluation, including any student testing required.
 - b) Within ten (10) days of receipt, the Academy shall notify the University Charter Schools Office of correspondence received from the Department of Education or State Board of Education that requires a written or formal response.
 - c) Within ten (10) days of receipt, the Academy shall report to the University Charter Schools Office and the University Counsel Office any litigation or formal proceedings alleging violation of Applicable Law or contractual agreement against the Academy, its officers, employees, agents, and/or contractors.
 - d) The Academy shall permit review of the Academy's records and inspection of its premises at any time by representatives of the University. Normally, such inspections

- shall occur during the Academy's hours of operation and after advance notice to the Academy.
- e) The Academy shall provide the Charter Schools Office with copies of reports and assessments concerning the educational outcomes achieved by pupils attending the Academy and shall provide necessary approvals for the Charter Schools Office to access electronic information received or stored by the State of Michigan including, but not limited to, the Department of Education or other agency authorized by the State to collect school data.
- f) The Academy shall submit audited financial statements, including auditor's management letters and any exceptions noted by the auditors, to the University Charter Schools Office. The financial statements and auditor's management letters shall be submitted to the University Charter Schools Office within ninety (90) days after the end of the Academy's fiscal year.
- g) The Academy shall provide the University Charter Schools Office with a copy of the proposed annual budget for the upcoming fiscal year of the Academy no later than July 1st. The Academy Board is responsible for establishing, approving and amending the annual budget in accordance with the Uniform Budgeting and Accounting Act, MCL 141.421 *et seq.*, and for providing all amendments and revisions to the University Charter Schools Office following Academy Board approval.
- h) The Academy shall provide to the University Charter Schools Office minutes of all Academy Board meetings no later than fourteen (14) days after such meeting.
- Section 2.3. <u>University Board Administrative Fee</u>. During the term of this Contract, the Academy shall pay the University Board an administrative fee of 3% of the state school aid payments received by the Academy. For purposes of this Contract, state school aid payments received by the Academy in July and August in any given year shall be deemed to have been received by the Academy during the Contract term. This fee shall be retained by the University Board from each state school aid payment received by the University Board for forwarding to the Academy. This fee shall compensate the University Board for issuing the Contract and overseeing the Academy's compliance with the Contract and all Applicable Law.
- Section 2.4. <u>University Board as Fiscal Agent for the Academy</u>. The University Board is the fiscal agent for the Academy. The University Board shall, within three (3) business days, forward to the Academy all state school aid funds or other public or private funds received by the University Board for the benefit of the Academy. The University Board shall retain any amount owed to the University Board by the Academy pursuant to this Contract. For purposes of this section, the responsibilities of the University Board, the State of Michigan, and the Academy are set forth in the Fiscal Agent Agreement incorporated herein as Schedule 4.
- Section 2.5. <u>Authorization of Employment</u>. The Academy may employ or contract with personnel. If the Academy contracts for personnel with an Educational Service Provider, the Academy shall submit a draft of the proposed agreement to the University Charter Schools

Office for review. The University Charter Schools Office may disapprove the proposed agreement if it contains provisions in violation of this Contract or Applicable Law. No ESP agreement shall be effective unless and until the agreement complies with Section 11.12 of these Terms and Conditions. With respect to Academy employees, the Academy shall have the power and responsibility to (i) select and engage employees; (ii) pay their wages; (iii) dismiss employees; and (iv) control the employees' conduct, including the method by which the employee carries out his or her work. An employee hired by the Academy shall be an employee of the Academy for all purposes and not an employee of the University for any purpose. The Academy Board shall prohibit any individual from being employed by the Academy, an ESP, or an employee leasing company involved in the operation of the Academy, in more than one (1) full-time position and simultaneously being compensated at a full-time rate for each of these positions. The Academy shall be responsible for carrying worker's compensation insurance and unemployment insurance for its employees.

Section 2.6. Financial Obligations of the Academy are Separate from the State of Michigan, University Board and the University. Any contract, mortgage, loan or other instrument of indebtedness entered into by the Academy and a third party shall not in any way constitute an obligation, either general, special, or moral, of the State of Michigan, the University Board, or the University. Neither the full faith and credit nor the taxing power of the State of Michigan or any agency of the State, nor the full faith and credit of the University Board or the University shall ever be assigned or pledged for the payment of any Academy contract, agreement, note, mortgage, loan or other instrument of indebtedness.

Section 2.7. Academy Has No Power to Obligate or Bind State of Michigan, University Board or the University. The Academy has no authority whatsoever to enter into any contract or other agreement that would financially obligate the State of Michigan, University Board or the University, nor does the Academy have any authority whatsoever to make any representations to lenders or third parties, that the State of Michigan, University Board or the University in any way guarantee, are financially obligated, or are in any way responsible for any contract, agreement, note, mortgage, loan or other instrument of indebtedness entered into by the Academy.

Section 2.8. Authorizing Body Contract Authorization Process. Pursuant to the Code, the University Board is not required to issue a contract to the Academy. This Contract is for a fixed term and will terminate at that end of the Contract term set forth in Section 12.14 without any further action of either the Academy or the University Board. Prior to the end of the Contract term, the University Board shall provide a description of the process and standards by which the Academy may be considered for the issuance of a new contract. The timeline for consideration of whether to issue a new contract to the Academy shall be solely determined by the University Board. The standards for issuance of a new contract shall include increases in academic achievement for all groups of pupils as measured by assessments and other objective criteria established by the University Board as the most important factor of whether to issue or not issue a new contract. The University Board, at its sole discretion, may change its process and standards for issuance of a contract at anytime, and any such changes shall take effect automatically without the need for any amendment to this Contract. Consistent with the Code, the University Board may elect, at its sole discretion, not to consider the issuance of a contract,

consider reauthorization of the Academy and elect not to issue a contract, or consider reauthorization of the Academy and issue a contract for a fixed term.

ARTICLE III

REQUIREMENT THAT ACADEMY ACT SOLELY AS GOVERNMENTAL AGENCY OR ENTITY AND POLITICAL SUBDIVISION

- Section 3.1. <u>Governmental Agency or Entity and Political Subdivision</u>. The Academy shall act exclusively as a governmental agency or entity and political subdivision.
- Section 3.2. Other Permitted Activities. Nothing in this Contract shall prohibit the Academy from engaging in other lawful activities that are not in derogation of the Academy's status as a public school or that would not jeopardize the eligibility of the Academy for state school aid funds. Subject to Section 2.5 and Section 6.15 of the Terms and Conditions, the Academy may enter into agreements with other public schools, public school academies, governmental units, businesses, community and nonprofit organizations where such agreements contribute to the effectiveness of the Academy or advance education in this state.

ARTICLE IV

PURPOSE

Section 4.1. <u>Academy's Purpose</u>. The Academy Board shall identify the purpose or mission of the Academy. Any subsequent changes to the Academy's purpose or mission shall be carried out by amendment in accordance with Article IX of these Terms and Conditions. The Academy's stated purpose or mission shall be set forth in the Schedules.

ARTICLE V

CORPORATE STRUCTURE OF THE ACADEMY

- Section 5.1. <u>Articles of Incorporation</u>. Unless amended pursuant to Section 9.2 of Article IX herein, the Articles of Incorporation of the Academy, as set forth in Schedule 2, shall be the Articles of Incorporation of the Academy. The Academy Board represents to the University Board that Schedule 2 includes all amendments to the Academy's Articles of Incorporation as of the date set forth above.
- Section 5.2. <u>Bylaws</u>. Unless amended pursuant to Section 9.3 of Article IX herein, the Bylaws of the Academy, as set forth in Schedule 3, shall be the Bylaws of the Academy. The Academy Board represents to the University Board that Schedule 3 includes all amendments to the Academy's Bylaws as of the date set forth above.

ARTICLE VI

OPERATING REQUIREMENTS

- Section 6.1. <u>Governance Structure</u>. The Academy shall be organized and administered under the direction of the Academy Board and pursuant to the governance structure as set forth in its Bylaws. The Academy's Board of Directors shall meet at least six times per fiscal year, unless another schedule is mutually agreed upon by the University President and the Academy.
- Section 6.2. <u>Contributions and Fund Raising</u>. The Academy may solicit and receive contributions and donations as permitted by law. No solicitation shall indicate that a contribution to the Academy is for the benefit of the University. The University shall not be required to receive any contributions or donations for the benefit of the Academy. If the University receives contributions or donations for the benefit of the Academy, it shall forward such funds to the Academy within three (3) business days of receipt.
- Section 6.3. <u>Educational Goals and Programs</u>. The Academy shall pursue the educational goals and programs identified and contained in the Schedules. The educational goals shall include demonstrated improved pupil academic achievement for all groups of pupils. Such goals and programs may be amended pursuant to Section 9.1 of Article IX of the Terms and Conditions. Upon request, the Academy shall provide the University Charter Schools Office with a written report, along with supporting data, assessing the Academy's progress toward achieving its goal(s).
- Section 6.4. <u>Curriculum</u>. The Academy shall have flexibility in developing, realigning, and implementing the curriculum identified in the Schedules. Any changes to the curricula shall be administered pursuant to Section 9.1 of Article IX of the Terms and Conditions, and such proposed curricula shall be designed to achieve the Academy's overall educational goals and State's educational assessment objectives.
- Section 6.5. Methods of Accountability. In addition to those set forth in this Section 6.5, the Academy shall evaluate its pupils' work based on the assessment strategies identified in the Schedules. To the extent applicable, the pupil performance of the Academy shall be assessed using at least the Michigan Education Assessment Program (MEAP) test or the Michigan Merit Examination (MME) designated under the Code. The Academy shall provide the University Charter Schools Office with copies of reports, assessments and test results concerning the following:
 - a) educational outcomes achieved by pupils attending the Academy and other reports reasonably requested by the University Charter Schools Office;
 - b) an assessment of the Academy's student performance at the end of each academic school year or at such other times as the University Board may reasonably request;
 - c) an annual education report in accordance with the Code;

- d) an annually administered nationally recognized norm-referenced achievement test for the Academy's grade configuration or a program of testing approved by the University Charter Schools Office Director; and
- e) all tests required under Applicable Law.

The University Board may use such reports, assessments and test results in making its decision to suspend, terminate, or not issue a new contract at the end of the Contract, or revoke the Contract.

- Section 6.6. <u>Staff Responsibilities</u>. Subject to Section 2.5 Article II of the Terms and Conditions, the University Board authorizes the Academy to employ or contract with an Educational Service Provider. A copy of the ESP agreement shall be included in the Schedules.
- Section 6.7. <u>Admission Policy</u>. The Academy shall comply with all application, enrollment and admissions policies and criteria required by Applicable Law. A copy of the Academy's admission policies and criteria are set forth in the Schedules. With respect to the Academy's pupil admissions process, the Academy shall provide any documentation or information requested by the University Charter Schools Office that demonstrates the following:
 - a) the Academy has made a reasonable effort to advertise its enrollment efforts to all pupils; and
 - b) the Academy's open enrollment period was for a duration of at least 2 weeks and permitted the enrollment of pupils by parents at times in the evening and on weekends.
- Section 6.8. <u>School Calendar/School Day Schedule</u>. The Academy shall comply with all minimum standards governing the length of the school term, minimum number of days and hours of instruction required by Applicable Law. The Academy agrees to make available to the CSO Office a copy of the School Calendar/School Day Schedule for each academic school year no later than July 1st. A copy of the School Calendar/School Day Schedule shall be automatically incorporated into the Schedules, without the need for an amendment under Article IX of the Terms and Conditions.
- Section 6.9. <u>Age/Grade Range of Pupils Enrolled</u>. The Academy is authorized to operate Kindergarten through Eighth grade(s). The Academy may add additional grades and vocational programs in the future, pursuant to Section 9.1 of Article IX of the Terms and Conditions
- Section 6.10. <u>Annual Financial Audit</u>. The Academy shall conduct an annual financial audit prepared and reviewed by an independent certified public accountant in accordance with generally accepted governmental auditing principles. The Academy shall submit the annual financial statement audit and auditor's management letter to the Charter Schools Office in accordance with the MCRR. The Academy Board shall provide to the Charter Schools Office a copy of any responses to the auditor's management letter in accordance with the MCRR.
- Section 6.11. <u>Address and Description of Proposed Site(s)</u>; <u>Process for Expanding Academy's Site Operations</u>. The proposed address and physical plant description of the

Academy's proposed site or sites is set forth in Schedule 7-8. Following Academy Board and University Board approval, proposed changes to the address and description of any site or sites shall be incorporated into this Contract by amendment. With the approval of the University Board, the Academy Board may operate the same configuration of age or grade levels at more than one (1) site if each configuration of age or grade levels and each site identified in Schedule 7-8 are under the direction and control of the Academy Board.

The University Board's process for evaluating and approving the same configuration of age or grade levels at more than one (1) site is as follows:

By formal resolution, the Academy Board may request the authority to operate the same configuration of age or grade levels at more than one site. The Academy Board shall submit to the University Charter Schools Office an application for site expansion, in a form or manner determined by the University Charter Schools Office. The application for site expansion shall include all information requested by the University Charter Schools Office, including detailed information about the site, revised budget, renovation and site improvement costs, the Academy's proposed operations at the site, and the information provided in Contract Schedules 7-8. Upon receipt of a complete application for site expansion, the University Charter Schools Office shall review the application for site expansion and make a recommendation to the University Board on whether the Academy's request for site expansion should be approved. A positive recommendation by the University Charter Schools Office of the application for site expansion shall include a determination by the Charter Schools Office that the Academy is operating in compliance with the Contract and is making measureable progress toward meeting the Academy's educational goals. The University Board may consider the Academy Board's site expansion request following submission by the University Charter Schools Office of a positive recommendation.

If the University Board approves the Academy Board's site expansion request, the Contract shall be amended in accordance with Article IX of these Terms and Conditions. The University Board reserves the right to modify, reject, or approve any application for site expansion in its sole and absolute discretion.

Section 6.12. <u>Accounting Standards</u>. The Academy shall at all times comply with generally accepted public sector accounting principles, and accounting system requirements that comply with Applicable Law.

Section 6.13. <u>Placement of University Student Interns</u>. The Academy may be a placement site for University students who are in education or other pre-professionals in training to serve in public schools. Such placement shall be without charge to the University and subject to other terms and conditions as the Academy and the University agree.

Section 6.14. <u>Disqualified Organizational or Contractual Affiliations</u>. The Academy shall comply with all state and federal law applicable to public schools concerning church-state issues. To the extent disqualified under the state or federal constitutions, the Academy shall not be organized by a church or other religious organization and shall not have any organizational or contractual affiliation with or constitute a church or other religious organization. Nothing in this

Section shall be deemed to diminish or enlarge the civil and political rights, privileges and capacities of any person on account of his or her religious belief.

Section 6.15. <u>Matriculation Agreements</u>. Before the Academy Board approves a matriculation agreement with another public school, the Academy shall provide a draft copy of the agreement to the University Charter Schools Office for review. Any matriculation agreement entered into by the Academy shall be added to the Schedules through a contract amendment approved in accordance with the Contract. Until the matriculation agreement is incorporated into the Contract, the Academy is prohibited from granting an enrollment priority to any student pursuant to that matriculation agreement.

Section 6.16. <u>Posting of Adequate Yearly Progress (AYP) and Accreditation Status</u>. The Academy shall post notices to the Academy's homepage of its website disclosing the adequate yearly progress status and accreditation status of each school in accordance with section 1280E of the Code, MCL 380.1280E.

ARTICLE VII

TUITION PROHIBITED

Section 7.1. <u>Tuition Prohibited: Fees and Expenses</u>. The Academy shall not charge tuition. The Academy may impose fees and require payment of expenses for activities of the Academy where such fees and payments are not prohibited by law.

ARTICLE VIII

COMPLIANCE WITH PART 6A OF THE CODE AND OTHER LAWS

- Section 8.1. <u>Compliance with Part 6a of the Code</u>. The Academy shall comply with Part 6a of the Code.
- Section 8.2. <u>Compliance with State School Aid Act</u>. In order to assure that funds are available for the education of pupils, the Academy shall comply with all applicable provisions of the State School Aid Act of 1979, as amended from time to time. The Academy may expend funds from the State School Aid Act for any purpose permitted by the State School Aid Act of 1979 and may enter into contracts and agreements determined by the Academy as consistent with the purposes for which the funds were appropriated.
- Section 8.3. Open Meetings Act. Pursuant to Section 503(6)(a) of the Code, the Academy Board shall conduct all of its meetings in accordance with the Michigan Open Meetings Act, Act No. 267 of the Public Acts of 1976, as amended, being Sections 15.261 to 15.275 of the Michigan Compiled Laws.
- Section 8.4. <u>Freedom of Information Act</u>. Pursuant to Section 503(6)(b) of the Code, the records of the Academy shall be records subject to the provisions of the Michigan Freedom of Information Act ("FOIA"), Act No. 442 of the Public Acts of 1976, as amended, being Sections 15.231 to 15.246 of the Michigan Compiled Laws. The Academy Board shall designate

a freedom of information coordinator to assure compliance with FOIA and other applicable law providing for public disclosure or for protection of privacy.

- Section 8.5. <u>Public Employees Relation Act</u>. Pursuant to Section 503(6)(c) of the Code, the Academy shall comply with Act No. 336 of the Public Acts of 1947, being Sections 423.201 to 423.217 of the Michigan Compiled Laws. Organizational efforts and collective bargaining agreements, if any, with employees of the Academy shall be the responsibility of the Academy.
- Section 8.6. <u>Prevailing Wage on State Contracts</u>. The Academy shall comply with the Prevailing Wage on State Contracts statute, Act No. 166 of the Public Acts of 165, being Sections 408.551 to 408.558 of the Michigan Compiled Laws.
- Section 8.7. <u>Uniform Budgeting and Accounting Act</u>. The Academy shall comply with the Uniform Budgeting and Accounting Act, Act No. 2 of the Public Acts of 1968, being MCL 141.421 to 141.440a.
- Section 8.8. Revised Municipal Finance Act of 2001. With respect to the Academy's borrowing money and issuance of bonds, the Academy shall comply with section 1351a of the Code and Part VI of the Revised Municipal Finance Act of 2001, Act No. 34 of the Public Acts of 2001, being MCL 141.2601 to 141.2613 of the Michigan Compiled Laws, except that the borrowing of money and issuance of bonds by the Academy is not subject to section 1351a(4) or section 1351(2) to (4) of the Code. Bonds issued by the Academy are subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.
- Section 8.9. <u>Non-discrimination</u>. The Academy shall be separately responsible for compliance with applicable laws pertaining to equal opportunity and anti-discrimination laws such as the Elliott-Larsen Civil Rights Act, Act No. 453 of the Public Acts of 1976, as amended, being MCL 37.2101 to 37.2804, the Michigan Handicappers' Civil Rights Act, Act No. 22 of the Public Acts of 1976, as amended, being MCL 37.1101 to 37.1607, and Subtitle A of Title II of the Americans with Disabilities Act of 1990, Public Law 101-336, 42 USC & 12101 *et seq*. or any successor law.
- Section 8.10. Other State Laws. The Academy shall comply with other state laws which are applicable to public school academies. Nothing in this Contract shall be deemed to apply any other state law to the Academy.
- Section 8.11. <u>Federal Laws</u>. The Academy shall comply with federal laws which are applicable to public school academies. Nothing in this Contract shall be deemed to apply any other federal law to the Academy.

ARTICLE IX

AMENDMENT

Section 9.1. <u>Process for Amending the Contract</u>. Either party may propose changes in this Contract or may propose a meeting to discuss potential revision of this Contract. Except as provided in Sections 2.1, 5.1 and 6.11, the University Board delegates to its University President

the review and approval of changes or amendments to this Contract. The Academy Board may delegate the same authority to the Academy Board President. The Contract shall be amended upon agreement and approval of the respective authorized designees.

Process for Amending Academy Articles of Incorporation. The Academy Board, or any authorized designee of the Academy Board, may propose changes to the Academy's Restated Articles of Incorporation. The Academy shall be authorized to make such changes to its Articles upon approval by the President or Designee of the University after review and recommendation by the University's Legal Counsel. Upon University approval, the Academy Board's authorized designee is authorized to file the amendment to the Academy's Restated Articles of Incorporation with the Michigan Department of Labor and Economic Growth, Bureau of Commercial Services. Upon receipt of the filed amendment, the Academy shall forward the filed amendment to the University Charter Schools Office. amendment shall be automatically incorporated into Schedule 2 of this Contract upon receipt of the amendment by the University Charter Schools Office. If the University identifies a provision in the Restated Articles of Incorporation that violates or conflicts with this Contract, due to a change in law or for other reasons, after approval has been given, it shall notify the Academy Board in writing and the Academy Board shall amend the Restated Articles of Incorporation to make them consistent with the Contract. If the change is requested by the University, the University shall reimburse the Academy for the filing fees payable to the Michigan Department of Labor and Economic Growth.

Section 9.3. Process for Amending Academy Bylaws. The Academy Board shall submit proposed Bylaw changes to the Charter Schools Office, for review and comment, at least thirty (30) days prior to Academy Board adoption. The Academy's Bylaws, and any subsequent or proposed changes to the Academy's Bylaws, shall not violate or conflict with the Contract. If at any time the University identifies a provision in the Academy Board's Bylaws that violates or conflicts with Applicable Law or this Contract, the Academy Board's Bylaws shall be automatically void and the Academy Board shall amend the identified provision to be consistent with Applicable Law and the Contract. The amendment shall be automatically incorporated into Schedule 3 of the Contract upon receipt by the University Charter Schools Office of a duly authorized Academy Board Bylaw change made in accordance with this Section 9.3.

Section 9.4. <u>Change in Existing Law.</u> If, after the effective date of this Contract, there is a change in Applicable Law, which alters or amends the responsibilities and obligations of either the Academy or the University Board, this Contract shall be altered or amended to reflect the change in existing laws as of the effective date of such change. To the extent possible, the responsibilities and obligations of the Academy and the University Board shall conform to and be carried out in accordance with the change in Applicable Law.

ARTICLE X

TERMINATION, SUSPENSION AND REVOCATION

Section 10.1. Grounds and Procedures for Academy Termination of Contract. At anytime and for any reason, the Academy Board may terminate this Contract. The Academy

Board shall notify the CSO Director in writing of the request for the termination of the Contract not less than ten (10) calendar months in advance of the effective date of termination. The University Board, in its sole discretion, may waive the ten (10) month requirement. A copy of the Academy Board's resolution approving the Contract termination, including a summary of the reasons for terminating the Contract, shall be included with the written termination request.

Section 10.2. <u>Termination by University Board</u>. The University Board may terminate this Contract before the end of the Contract Term as follows:

- (a) <u>Termination Without Cause</u>. Except as otherwise provided in subsections (b), (c) or (d), the University Board, in its sole discretion, reserves the right to terminate this Contract before the end of the Contract Term for any reason provided that such termination shall not take place less than ten (10) calendar months from the date of the University Board's resolution approving such termination. The Charter Schools Office shall provide notice of the termination to the Academy. If during the period between the University Board's action to terminate and the effective date of termination, the Academy has violated the Contract or Applicable Law, the University Board may elect to initiate suspension or revocation of the Contract as set forth in this Article X.
- (b) <u>Termination Caused by Change in Applicable Law</u>. Following issuance of this Contract, if there is a change in Applicable Law that the University Board, in its sole discretion, determines impairs its rights and obligations under the Contract or requires the University Board to make changes in the Contract that are not in the best interest of the University Board or the University, then the University Board may terminate the Contract at the end of the Academy's school fiscal year in which the University Board's decision to terminate is adopted. For purposes of this section, a change in Applicable Law includes without limitation the following:
 - (i) the issuance of an order by the Superintendent of Public Instruction, pursuant to Section 1280c of the Code, placing the Academy under the supervision of the State School Reform/Redesign Officer; or
 - (ii) the development of, or changes to, a redesign plan by the Academy pursuant to Section 1280c of the Code.
- (c) <u>Automatic Termination Caused By Placement of Academy in State School Reform / Redesign School District</u>. If the Academy is notified by the State that the Academy will be placed in the State School Reform/Redesign School District pursuant to Section 1280c of the Code, then the University Board may terminate this Contract at the end of the current school year.
- (d) <u>Automatic Termination For Failure to Satisfy Requirements During the Initial Term of Contract</u>. If the Academy fails to satisfy the requirements set forth in Section 12.14 during the initial term of Contract, then this Contract shall automatically terminate on the date set forth in Section 12.14.

The revocation procedures in Section 10.6 shall not apply to a termination of this Contract under this section.

Section 10.3. <u>Contract Suspension</u>. The University Board's process for suspending the Contract is as follows:

- a) University President Action. If the University President determines, in his or her sole discretion, that conditions or circumstances exist that the Academy Board (i) has placed the health or safety of the staff and/or students at risk; (ii) is not properly exercising its fiduciary obligations to protect and preserve the Academy's public funds and property; (iii) has lost its right to occupancy of the physical facilities described in Section 6.11, and cannot find another suitable physical facility for the Academy prior to the expiration or termination of its right to occupy its existing physical facilities; or (iv) has willfully or intentionally violated this Contract or Applicable Law, the University President may immediately suspend the Contract. If the conditions or circumstances involve an alleged violation of Sections 10.5(e) or (f), the University President is authorized to suspend the Contract immediately pending completion of the procedures set forth in Section 10.6. Unless otherwise specified in the suspension notice, the Academy shall cease operations on the date on which the suspension notice is issued. A copy of the suspension notice, setting forth the grounds for suspension, shall be sent to the Academy Board and to the Hearing Panel if applicable. If this subsection is implemented, the notice and hearing procedures set forth in Section 10.6 shall be expedited as much as possible.
- b) <u>Disposition of State School Aid Funds</u>. Notwithstanding any other provision of the Contract, any state school aid funds received by the University Board after a decision by the University President to suspend the Contract may be retained by the University Board for the Academy until the Contract is reinstated, or shall be returned to the Michigan Department of Treasury.
- c) Immediate Revocation Proceeding. If the Academy Board, after receiving a Suspension Notice from the University President continues to engage in conduct or activities that are covered by the suspension notice, the Hearing Panel may immediately convene a Revocation Hearing in accordance with the procedures set forth in Section 10.6(e) of the Terms and Conditions. The Hearing Panel has the authority to accelerate the time line for revoking the Contract, provided that notice of the revocation hearing shall be provided to the University Charter Schools Office and the Academy Board at least five (5) days before the hearing. If the Hearing Panel determines that the Academy Board has continued to engage in conduct or activities that are covered by the suspension notice, the Hearing Panel may recommend revocation of the Contract. The University Board shall proceed to consider the Hearing Panel's recommendation in accordance with Section 10.6(f) through (i).

Section 10.4 <u>Statutory Grounds for Revocation</u>. In addition to the grounds for an automatic revocation of the Contract as set forth in Section 10.7, this Contract may also be revoked by the University Board upon a determination by the University Board, pursuant to the procedures set forth in Section 10.6, that one or more of the following has occurred:

- a) Failure of the Academy to demonstrate improved pupil academic achievement for all groups of pupils or meet the educational goals set forth in this Contract;
- b) Failure of the Academy to comply with all Applicable Law;
- c) Failure of the Academy to meet generally accepted public sector accounting principles and demonstrate sound fiscal stewardship; or
- d) The existence of one or more other grounds for revocation as specified in this Contract.

Section 10.5. Other Grounds for University Board Revocation. In addition to the statutory grounds for revocation set forth in Section 10.4 and the grounds for an automatic revocation of the Contract set forth in Section 10.7, the University Board may revoke this Contract, pursuant to the procedures set forth in Section 10.6, upon a determination that one or more of the following has occurred:

- a) The Academy is insolvent, has been adjudged bankrupt, or has operated for one or more school fiscal year(s) with a Fund Balance Deficit;
- b) The Academy has insufficient enrollment to successfully operate the Academy, or the Academy has lost more than twenty-five percent (25%) of its student enrollment from the previous school year;
- c) The Academy defaults in any of the terms, conditions, promises or representations contained in or incorporated into this Contract;
- d) The Academy files amendments to its Articles of Incorporation with the Michigan Department of Labor and Economic Growth, Bureau of Commercial Services, without first obtaining University Board approval;
- e) The University Board discovers grossly negligent, fraudulent or criminal conduct by the Applicant, the Academy's directors, officers, employees or agents in relation to their performance under this Contract;
- f) The Applicant, the Academy's directors, officers or employees have provided false or misleading information or documentation to the University Board in connection with the University Board's approval of the Application, the issuance of this Contract, or the Academy's reporting requirements under this Contract or Applicable Law;
- g) The Academy violates the site restrictions set forth in the Contract or the Academy operates at a site or sites without the prior written authorization of the University Board; or
- h) The University Board, its trustees, officers, employees, agents or representatives are not included as third party beneficiaries under any educational management

agreement entered into by the Academy for purposes of indemnifying such parties in accordance with Section 11.11 of the Terms and Conditions.

Section 10.6. <u>University Board Procedures for Revoking Contract</u>. Except for the automatic revocation process set forth in Section 10.7 or the termination of Contract by the University Board in Section 10.2, the University Board's process for revoking the Contract is as follows:

- a) Notice of Intent to Revoke. The CSO Director or other University representative, upon reasonable belief that such grounds for revocation of the Contract exist, shall notify the Academy Board of such grounds by issuing the Academy Board a Notice of Intent to Revoke for non-compliance with the Contract or Applicable Law. The Notice of Intent to Revoke shall be in writing and shall set forth in sufficient detail the alleged grounds for revocation.
- b) Academy Board's Response. Within thirty (30) days of receipt of the Notice of Intent to Revoke, the Academy Board shall respond in writing to the alleged grounds for revocation. The Academy Board's response shall be addressed to the CSO Director, and shall either admit or deny the allegations of non-compliance. If the Academy's response includes admissions of non-compliance with the Contract or Applicable Law, the Academy Board's response must also contain a description of the Academy Board's plan and time line for correcting the non-compliance with the Contract or Applicable Law. If the Academy's response includes a denial of non-compliance with the Contract or Applicable Law, the Academy's response shall include sufficient documentation or other evidence to support a denial of non-compliance with the Contract or Applicable Law. A response not in compliance with this section shall be deemed to be non-responsive. As part of its response, the Academy Board may request that a meeting be scheduled with the CSO Director prior to a review of the Academy Board's response.
- c) Plan of Correction. Within fifteen (15) days of receipt of the Academy Board's response or after a meeting with Academy Board representatives, whichever is sooner, the CSO Director shall review the Academy Board's response and determine whether a reasonable plan for correcting the deficiencies can be formulated. If the CSO Director determines that a reasonable plan for correcting the deficiencies set forth in the Notice of Intent to Revoke can be formulated, the CSO Director shall develop a plan for correcting the non-compliance ("Plan of Correction"). developing a Plan of Correction, the CSO Director is permitted to adopt, modify or reject some or all of the Academy Board's response for correcting the deficiencies outlined in the Notice of Intent to Revoke. The Notice of Intent to Revoke shall be withdrawn if the CSO Director determines any of the following: (i) the Academy Board's denial of non-compliance is persuasive; (ii) the non-compliance set forth in the Notice of Intent to Revoke has been corrected by the Academy Board; or (iii) the Academy Board has successfully completed the Plan of Correction. In the event the Notice of Intent to Revoke is withdrawn, the CSO Director shall notify the Academy Board, in writing, of such withdrawal.

- d) Plan of Correction May Include Conditions to Satisfy University Board's Contract Reconstitution Obligation. As part of the Plan of Correction, the CSO Director may reconstitute the Academy in an effort to improve student educational performance and to avoid interruption of the educational process. An attempt to improve student educational performance may include, but is not limited to, one of the following actions: (i) removal of 1 or more members of the Academy Board members; (ii) termination of at-will board appointments of 1 or more Academy Board members; (iii) withdrawal of the Academy's authorization to contract with an ESP; or (iv) the appointment of a new Academy Board of directors or a conservator/trustee to take over operations of the Academy. The University Charter Schools Office shall notify the Superintendent of Public Instruction of any Plan of Correction that includes a reconstitution of the Academy to ensure that the Academy is not included on the list of school buildings subject to automatic closure under section 1280c of the Code.
- e) <u>Request for Revocation Hearing</u>. The CSO Director or other University representative may initiate a revocation hearing before the University Charter Schools Hearing Panel if the CSO Director determines that any of the following has occurred:
 - i) the Academy Board has failed to timely respond to the Notice of Intent to Revoke as set forth in Section 10.6(b);
 - ii) the Academy Board's response to the Notice of Intent to Revoke is non-responsive;
 - the Academy Board's response admits violations of the Contract or Applicable Law which the CSO Director deems cannot be remedied or cannot be remedied in an appropriate period of time, or for which the CSO Director determines that a Plan of Correction cannot be formulated;
 - iv) the Academy Board's response contains denials that are not supported by sufficient documentation or other evidence showing compliance with the Contract or Applicable Law;
 - v) the Academy Board has not complied with part or all of a Plan of Correction established in Section 10.6(c);
 - vi) the Academy Board has engaged in actions that jeopardize the financial or educational integrity of the Academy; or
 - vii) the Academy Board has been issued multiple or repeated Notices of Intent to Revoke.

The CSO Director or other University representative shall send a copy of the Request for Revocation Hearing to the Academy Board at the same time the request is sent to the Hearing Panel. The Request for Revocation Hearing shall identify the reasons for revoking the Contract.

f) Hearing before University Charter Schools Hearing Panel. Within thirty (30) days of the date of a Request for Revocation Hearing, the Hearing Panel shall convene a revocation hearing. The Hearing Panel shall provide a copy of the Notice of Hearing to the University Charter Schools Office and the Academy Board at least ten (10) days before the hearing. The purpose of the Hearing Panel is to gather facts surrounding the CSO Director's request for Contract revocation, and to make a

recommendation to the University Board on whether the Contract should be revoked. The revocation hearing shall be held at a location, date and time as determined by the CSO Director or other University Representative. The hearing shall be transcribed by a court reporter and the cost of the court reporter shall be divided equally between the University and the Academy. The CSO Director or his or her designee, and the Academy Board or its designee, shall each have equal time to make their presentation to the Hearing Panel. Although each party is permitted to submit affidavits and exhibits in support of their positions, the Hearing Panel will not hear testimony from any witnesses for either side. The Hearing Panel, may, however, question the CSO Director and one or more members of the Academy Board. Within thirty (30) days of the Revocation Hearing, the Hearing Panel shall make a recommendation to the University Board concerning the revocation of the Contract. In its discretion, the Hearing Panel may extend any time deadline set forth in this subsection. A copy of the Hearing Panel's recommendation shall be provided to the University Charter Schools Office and the Academy Board at the same time that the recommendation is sent to the University Board.

- g) <u>University Board Decision</u>. If the Hearing Panel's recommendation is submitted to the University Board at least fourteen (14) days before the University Board's next regular meeting, the University Board shall consider the Hearing Panel's recommendation at its next regular meeting and vote on whether to revoke the Contract. The University Board reserves the right to modify, reject or approve all or any part of the Hearing Panel's recommendation. The University Board shall have available copies of the Hearing Panel's recommendation and the transcript of the hearing. The University Board may waive the fourteen (14) day submission requirement or hold a special board meeting to consider the Hearing Panel's recommendation. A copy of the University Board's decision shall be provided to the University Charter Schools Office, the Academy Board and the Michigan Department of Education.
- h) <u>Effective Date of Revocation</u>. If the University Board votes to revoke the Contract, the revocation shall be effective on the date of the University Board's act of revocation, or at a later date as determined by the University Board, but no later than the last day of the Academy's current academic year.
- i) <u>Disposition of State School Aid Funds</u>. Notwithstanding any other provision of the Contract, any state school aid funds received by the University Board after a recommendation is made by the Hearing Panel to revoke the Contract, or a decision by the University Board to revoke the Contract, may be held by the University Board and returned to the Michigan Department of Treasury.
- j) <u>Disposition of District Code Number</u>. Notwithstanding any other provision of the Contract, after a recommendation is made by the Hearing Panel to revoke the Contract, or a decision by the University Board to revoke the Contract, the district code number shall remain under the direction and control of the State Board of Education and/or its designated representative.

Section 10.7. <u>Automatic Revocation by State of Michigan</u>. If the University Board is notified by the Superintendent of Public Instruction that the Academy is subject to closure under Part 6a of the Code ("State's Automatic Closure Notice"), and the Academy is currently not undergoing a reconstitution as part of a Plan of Correction developed under Section 10.6, then this Contract shall automatically be amended to eliminate the Academy's authority to operate certain age and grade levels at the site or sites identified in the State's Automatic Closure Notice. If the State's Automatic Closure Notice includes all of the Academy's existing sites, then this Contract shall automatically be revoked at the end of the current school year in which the notice is received without any further action of the University Board or the Academy. The University Board's revocation procedures set forth in Section 10.6 do not apply to an automatic revocation initiated by the State.

Following receipt of the State's Automatic Closure Notice, the University Charter Schools Office shall forward a copy of the State's Automatic Closure Notice to the Academy Board and request a meeting with Academy Board representatives to discuss the Academy's plans and procedures for the elimination of certain age or grade levels at the identified site or sites, or if all of the Academy's existing sites are included in the State's Automatic Closure Notice, then wind-up and dissolution of the Academy corporation at the end of the current school year. All Academy inquiries and requests for reconsideration of the State's Automatic Revocation Notice shall be directed to the Superintendent of Public Instruction, in a form and manner determined by that office or the Michigan Department of Education.

Section 10.8. <u>Material Breach of Contract</u>. The issuance of an order by the Superintendent of Public Instruction, pursuant to section 1280C of the Code, placing the Academy under the supervision of the State School Reform/ Redesign Officer, shall constitute a material breach of this Contract. Following the issuance of the order, the University Charter Schools Office shall notify the Academy of the material breach and request a meeting with Academy Board representatives to discuss the matter. To remedy the material breach, the Academy shall work toward the development of a corrective action plan that is acceptable to the University Charter Schools Office. In addition to other matters, the corrective action plan shall include the Academy's redesign plan prepared pursuant to section 1280C of the Code. The development of a corrective action plan under this Section 10.8 shall not in any way limit the rights of the University Board to terminate, suspend, or revoke this Contract.

Section 10.9. Appointment of Conservator/Trustee. Notwithstanding any other provision of the Contract, when the University Board determines that conditions or circumstances exist to lead the University Board to believe that the health, safety, educational or economic interest of the Academy or its students is at risk, the University Board may take immediate action against the Academy pending completion of the procedures described in Sections 10.6. The University Board may appoint a conservator/ trustee to manage the day-to-day operations of the Academy in place of the Academy Board. A conservator/ trustee appointed by the University Board shall have all the powers and authority of the Academy Board under this Contract and Applicable Law. Upon the appointment of a conservator/ trustee, the appointment and term of office for each Academy Board member shall cease. If this section has been implemented and the Hearing Panel under Section 10.6 determines the revocation to be appropriate, the revocation shall become effective immediately upon the University Board's decision.

ARTICLE XI

PROVISIONS RELATING TO PUBLIC SCHOOL ACADEMIES

- Section 11.1. <u>Grand Valley State University Faculty Employment in the Academy</u>. Subject to the ability of the Academy to reach separate agreement on the terms, the Academy is permitted to use University faculty as classroom teachers in any grade.
- Section 11.2. <u>The Academy Faculty Appointment to Grand Valley State University Faculty</u>. Nothing in this Contract shall prohibit a member of the Academy faculty from being appointed to or serving as a member of the University faculty.
- Section 11.3. <u>Student Conduct and Discipline</u>. The Academy Board shall adopt, abide by and enforce its own set of written policies concerning student conduct and student discipline.
- Section 11.4. <u>Insurance</u>. The Academy shall secure and maintain in its own name as the "first named insured" at all times the following insurance coverage:
 - a) Property insurance covering all of the Academy's real and personal property, whether owned or leased;
 - b) General/Public Liability with a minimum of one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) aggregate (Occurrence Form);
 - c) Auto Liability (Owned and Non-Owned) with a minimum of one million dollars (\$1,000,000) (Occurrence Form);
 - d) Workers' Compensation insurance (statutory limits) and Employers' Liability insurance with a minimum of one million dollars (\$1,000,000); if the Academy has no employees or leases employees, it must carry Workers' Compensation insurance (statutory limits) on an "if any" basis including Employers' Liability limits of one million dollars (\$1,000,000).
 - e) Errors & Omissions insurance including Directors & Officers and School Leaders Errors & Omissions Liability insurance with a minimum of one million dollars (\$1,000,000) per occurrence and three million dollars (\$3,000,000) aggregate (Claims Made or Occurrence Form);
 - f) Crime including employee dishonesty insurance with a minimum of five hundred thousand dollars (\$500,000); and
 - g) Employment Practices Liability insurance with a minimum of one million dollars (\$1,000,000) per claim/aggregate (Claims Made or Occurrence Form).

The insurance must be obtained from a licensed mutual, stock, or other responsible company licensed to do business in the State of Michigan. The insurance carrier(s) must be an "A" best rating or better. The Academy may join with other public school academies to obtain insurance if the Academy finds that such an association provides economic advantages to the Academy, provided that each Academy maintains its identity as first named insured.

The Academy shall list the University Board and the University on the insurance policies as an additional insured with primary coverage on insurance coverage listed in (b), (c), (e), and (g) above. The Academy shall have a provision included in all policies requiring notice to the University, at least thirty (30) days in advance, upon termination or non-renewal of the policy or of changes in insurance carrier or policy limit changes. In addition, the Academy shall provide the University President copies of all insurance certificates and endorsements required by this Contract. The Academy shall also provide to the University Charter Schools Office an entire copy of the insurance policies. The Academy may expend funds for payment of the cost of participation in an accident or medical insurance program to insure protection for pupils while attending school or participating in a school program or activity. Other insurance policies and higher minimum may be required depending upon academic offerings and program requirements.

The Academy understands that the University's insurance carrier periodically reviews the types and amounts of insurance coverage that the Academy must secure in order for the University to maintain insurance coverage for authorization and oversight of the Academy. In the event that the University's insurance carrier requests additional changes in coverage identified in this Section 11.4, the Academy agrees to comply with any additional changes in the types and amounts of coverage requested by the University's insurance carrier within thirty (30) days after notice of the insurance coverage change.

Section 11.5. <u>Transportation</u>. The Academy Board may enter into contract with other school districts or other persons, including municipal and county governments, for the transportation of the Academy students to and from school and for field trips. In addition, the Academy Board may use funds received from state school aid payments to pay for student transportation. In the event that the Academy Board contracts for transportation services, the Academy Board shall ensure that the company providing the transportation services is properly licensed in accordance with Applicable Law, and that the company conducts criminal background and history checks on its drivers and other personnel who have direct contact with pupils in accordance with the Code.

Section 11.6. <u>Extracurricular Activities and Interscholastic Sports</u>. The Academy is authorized to join any organization, association, or league, which has as its objective the promotion and regulation of sport and athletic, oratorical, musical, dramatic, creative arts, or other contests by or between pupils.

Section 11.7. <u>Legal Liabilities and Covenants Not to Sue.</u> The Academy and Academy Board members acknowledge and agree that they have no authority to extend the faith and credit of the University or to enter into a contract that would bind the University. The Academy also is limited in its authority to contract by the amount of funds obtained from the state school aid fund, as provided hereunder, or from other independent sources. The Academy and Academy

Board members hereby covenant not to sue the University Board, the University or any of its trustees, officers, employees, agents or representatives for any matters that arise under this Contract or otherwise. The University does not assume any obligation with respect to any Academy Director, employee, agent, parent, guardian, or independent contractor of the Academy, and no such person shall have the right or standing to bring suit against the University Board, the University or any of its Trustees, employees, agents, or independent contractors as a result of the issuing, termination or revocation of this Contract.

Section 11.8. <u>Lease or Deed for Proposed Single Site(s)</u>. The Academy shall provide to the designee of the University Board copies of its lease or deed for the premises in which the Academy shall operate. A copy of the Academy's lease or deed and site information shall be incorporated into the Schedules.

Section 11.9. Occupancy and Safety Certificates. The Academy Board shall: (i) ensure that all physical facilities comply with all fire, health and safety standards applicable to schools; and (ii) possess the necessary occupancy and safety certificates. The Academy Board shall not conduct classes at any site until the Academy has complied with this Section 11.9. Copies of these certificates shall be incorporated into the Schedules.

Section 11.10. <u>Deposit of Public Funds by the Academy</u>. The Academy Board agrees to comply with Section 1221 of the Revised School Code, being MCL 380.1221, regarding the deposit of all public or private funds received by the Academy. Such deposit shall be made within three (3) business days after receipt of the funds by the Academy.

Section 11.11. Educational Service Provider Agreements. The Academy may enter into an ESP Agreement with an ESP to contract out its administrative and/or educational functions and personnel. For the purposes of this Contract, an employee leasing agreement shall be considered an ESP Agreement, and an employee leasing company shall be considered an ESP. Prior to entering any ESP Agreement with an ESP, the Academy shall submit a copy of the final draft ESP Agreement to the University charter Schools Office in a form or manner consistent with the ESP policies of the University Charter Schools Office, which are incorporated into and be deemed part of this Contract. The Charter Schools Office may, from time to time during the term of this Contract, amend the ESP policies and the amended policies shall automatically apply to the Academy without any amendment under Article IX of this Contract. The University Charter Schools Office may disapprove the proposed ESP Agreement submitted by the Academy if the ESP Agreement is contrary to this Contract or Applicable Law. Any subsequent amendment to an ESP Agreement shall be submitted for review by the University Charter Schools Office in the same form and manner as a new ESP Agreement.

Section 11.12. <u>Required Provisions for Educational Service Provider Agreements</u>. Any ESP agreement entered into by the Academy must contain the following provisions:

"Indemnification of Grand Valley State University. The parties acknowledge and agree that the Grand Valley State University Board of Trustees, Grand Valley State University and its members, officers, employees, agents or representatives are deemed to be third party beneficiaries for purposes of this Agreement. As third party beneficiaries, the parties hereby promise to indemnify and hold harmless Grand Valley State University Board of Trustees, Grand

Valley State University and its members, officers, employees, agents or representatives from all claims, demands, or liability, including attorney fees, and related expenses, on account of injury, loss or damage, including, without limitation, claims arising from bodily injury, personal injury, sickness, disease, death, property loss or damage or any other losses of any kind whatsoever and not caused by the sole negligence of Grand Valley State University, which arise out of or are in any manner connected with Grand Valley State University Board's approval of the Application, the University Board's consideration of or issuance of a Contract, the Academy's preparation for and operation of a public school, or which are incurred as a result of the reliance by Grand Valley State University and its Board of Trustees members, officers, employees, agents or representatives upon information supplied by the Academy or the ESP, or which arise out of the failure of the Academy to perform its obligations under the Contract issued to the Academy by Grand Valley State University Board of Trustees. The parties expressly acknowledge and agree that Grand Valley State University and its Board of Trustee members, officers, employees, agents or representatives may commence legal action against either party to enforce its rights as set forth in this Agreement."

"Revocation or Termination of Contract. If the Academy's Contract issued by the Grand Valley State University Board of Trustees is revoked or terminated, this Agreement shall automatically terminate on the same date as the Academy's Contract is revoked or termination without further action of the parties."

"Compliance with Academy's Contract. The ESP agrees to perform its duties and responsibilities under this Agreement in a manner that is consistent with the Academy's obligations under the Academy's Contract issued by Grand Valley State University Board of Trustees. The provisions of the Academy's Contract shall supersede any competing or conflicting provisions contained in this Agreement."

"Compliance with Section 503c. On an annual basis, the ESP agrees to provide the Academy Board with the same information that a school district is required to disclose under section 18(2) of the State School Aid Act of 1979, MCL 388.1618, for the most recent school fiscal year for which the information is available. Within thirty (30) days of receipt of this information, the Academy Board shall make the information available on the Academy's website home page, in a form and manner prescribed by the Michigan Department of Education. The defined terms in section 503c of the Code, MCL 380.503c, shall have the same meaning in this Agreement."

Section 11.13. <u>Incompatible Public Offices and Conflicts of Interest Statutes</u>. The Academy shall comply with the Incompatible Public Offices statute, Act No. 566 of the Public Acts of 1978, being MCL 15.181 to 15.185 of the Michigan Compiled Laws, and the Contracts of Public Servants With Public Entities statute, Act No. 317 of the Public Acts of 1968, being MCL 15.321 to 15.330 of the Michigan Compiled Laws. The Academy Board shall ensure compliance with Applicable Law relating to conflicts of interest. Notwithstanding any other provision of this Contract, the following shall be deemed a prohibited conflict of interest for purposes of this Contract:

(a) An individual simultaneously serving as an Academy Board member and an owner, officer, director, employee or consultant of an educational service provider or an employee leasing company that has an ESP agreement with the Academy;

- (b) An individual simultaneously serving as an Academy Board member and an Academy employee;
- (c) An individual simultaneously serving as an Academy Board member and an independent contractor to the Academy;
- (d) An individual simultaneously serving as an Academy Board member and as a member of the governing board of another public school; and
- (e) An individual simultaneously serving as an Academy Board member and a University employee, official, or consultant, to the University.
- Section 11.14. <u>Certain Familial Relationships Prohibited</u>. The Academy Board shall prohibit specifically identified family relationships pursuant to applicable law and the Terms and Conditions of this contract. Notwithstanding any other provision of this Contract, the following shall be deemed prohibited familial relationships for the purposes of this Contract:
- (a) No person shall be appointed or reappointed to serve as an Academy Board member if the person's mother, mother-in-law, father, father-in-law, son, son-in-law, daughter, daughter-in-law, sister, sister-in-law, brother, brother-in-law, spouse or same-sex domestic partner:
 - (i) Is employed by the Academy;
 - (ii) Works at or is assigned to the Academy
 - (iii) Has an ownership, officer, policy making, managerial, administrative, non-clerical or other significant role with the Academy's ESP or employee leasing company.
- Section 11.15. <u>Dual Employment Positions Prohibited</u>. Any person working at the Academy is prohibited by law from being employed at the Academy in more than one full-time position and simultaneously being compensated for each position.
- Section 11.16. <u>Oath of Public Office</u>. Academy Board members are public officials. Before entering upon the duties of a public school board member, each Academy Board member shall take, sign, and file the constitutional oath of office with the Charter Schools Office.

Section 11.17. Information Available to the Public and University.

- (a) <u>Information to be provided by the Academy</u>. In accordance with Applicable Law, the Academy shall make information concerning its operation and management, including without limitation information in Schedule 6, available to the public and University in the same manner and to the same extent as is required for public schools and school districts.
- (b) <u>Information to be provided by Educational Service Providers</u>. The agreement between the Academy and the ESP shall contain a provision requiring the ESP to make information concerning the operation and management of the Academy, including the information in Schedule 6, available to the Academy as deemed necessary by the Academy Board in order to enable the Academy to fully satisfy its obligations under subparagraph (a).

Section 11.18. <u>University Board Invitation to Apply to Convert Academy to School of Excellence</u>. If the University Board is interested in accepting applications to issue contracts to charter Schools of Excellence under Part 6e of the Code, MCL 380.551 et seq. ("Part 6e"), and the University Board determines that the Academy meets the University Board's and the Code's eligibility criteria for applying to convert the Academy to a School of Excellence, then the University Board may invite the Academy to submit an application to apply for a contract to convert the Academy to a School of Excellence. In accordance with the Code, the University Board shall establish its own competitive application process and provide the necessary forms and procedures to eligible public school academies.

ARTICLE XII

GENERAL TERMS

Section 12.1. <u>Notices</u>. Any and all notices permitted or required to be given hereunder shall be deemed duly given; (i) upon actual delivery, if delivery by hand; or (ii) upon delivery into United States mail if delivery is by postage paid first class mail. Each such notice shall be sent to the respective party at the address indicated below or to any other person or address as the respective party may designate by notice delivered pursuant hereto:

If to Grand Valley State University Board of Trustees:

Charter Schools Office Director Grand Valley State University 201 Front Avenue, SW., Suite 310 Grand Rapids, Michigan 49504

If to Academy:

Academy Board President 11224 Kercheval Detroit, MI 48214

Section 12.2. <u>Severability</u>. If any provision in this Contract is held to be invalid or unenforceable, it shall be ineffective only to the extent of the invalidity, without affecting or impairing the validity and enforceability of the remainder of the provision or the remaining provisions of this Contract. If any provision of this Contract shall be or become in violation of Applicable Law, such provision shall be considered null and void, and all other provisions shall remain in full force and effect.

Section 12.3. <u>Successors and Assigns</u>. The terms and provisions of this Contract are binding on and shall inure to the benefit of the parties and their respective successors and permitted assigns.

Section 12.4. <u>Entire Contract</u>. This Contract sets forth the entire agreement between the University Board and the Academy with respect to the subject matter of this Contract. All prior application materials, contracts, representations, statements, negotiations, understandings, and undertakings, are superseded by this Contract.

- Section 12.5. Assignment. This Contract is not assignable by either party.
- Section 12.6. <u>Non-Waiver</u>. Except as provided herein, no term or provision of this Contract shall be deemed waived and no breach or default shall be deemed excused, unless such waiver or consent shall be in writing and signed by the party claimed to have waived or consented. No consent by any party to, or waiver of, a breach or default by the other, whether expressed or implied, shall constitute a consent to, waiver of, or excuse for any different or subsequent breach or default.
- Section 12.7. Indemnification. As a condition to receiving a grant of authority from the University Board to operate a public school pursuant to the terms and conditions of this Contract, the Academy agrees to indemnify and hold the University Board, the University and its Board of Trustees members, officers, employees, agents or representatives harmless from all claims, demands, or liability, including attorney fees, and related expenses, on account of injury, loss or damage, including, without limitation, claims arising from bodily injury, personal injury, sickness, disease, death, property loss or damage or any other losses of any kind whatsoever and not caused by the sole negligence of the University, which arise out of or are in any manner connected with the University Board's receipt, consideration or approval of the Application, the University Board's approval of the Method of Selection Resolution or the Authorizing Resolution, legal challenges to the validity of Part 6a of the Code or actions taken by the University Board as an authorizing body under Part 6a of the Code, the University Board's consideration of or issuance of a Contract, the Academy's preparation for and operation of a public school, or which are incurred as a result of the reliance of the University Board, the University and its Board of Trustees members, officers, employees, agents or representatives upon information supplied by the Academy, or which arise out of the failure of the Academy to perform its obligations under this Contract. The foregoing provision shall not be deemed a relinquishment or waiver of any kind of Section 7 of the Governmental Liability for Negligence Act, being Act No. 170, Public Acts of Michigan, 1964.
- Section 12.8. <u>Construction</u>. This Contract shall be construed fairly as to both parties and not in favor of or against either party, regardless of which party prepared the Contract.
- Section 12.9. <u>Force Majeure</u>. If any circumstances occur which are beyond the control of the parties, which delay or render impossible the obligations of one or both of the parties, the parties' obligations to perform such services shall be postponed for an equivalent period of time or shall be canceled, if such performance has been rendered impossible by such circumstances.
- Section 12.10. <u>No Third Party Rights</u>. This Contract is made for the sole benefit of the Academy and the University Board and no other person or entity, including without limitation, the ESP. Except as otherwise provided, nothing in this Contract shall create or be deemed to create a relationship between the parties hereto, or either of them, and any third person, including a relationship in the nature of a third party beneficiary or fiduciary.
- Section 12.11. <u>Non-agency</u>. It is understood that the Academy is not the agent of the University.

Section 12.12. <u>Governing Law</u>. This Contract shall be governed and controlled by the laws of the State of Michigan as to interpretation, enforcement, validity, construction, and effect, and in all other respects.

Section 12.13. <u>Counterparts</u>. This Contract may be executed in any number of counterparts. Each counterpart so executed shall be deemed an original, but all such counterparts shall together constitute one and the same instrument.

Section 12.14. Term of Contract.

- (a) <u>Initial Term of Contract.</u> Except as otherwise provided in Section 12.14 (b) set forth below, this Contract shall commence on July 1, 2012 and shall remain in full force and effect for seven (7) years until June 30, 2019, unless sooner terminated according to the terms hereof.
- (b) <u>Termination of Contract During Initial Term of Contract</u>. Consistent with the procedures set forth in this Section 12.14(b), this Contract will terminate on June 30, 2019 if the Academy fails to satisfy all of the following conditions:
 - (i) The Academy shall provide to the Charter Schools Office Director a copy of the Academy's agreements with any Educational Service Provider. The terms and conditions of the agreements must be acceptable to the University President.
 - (ii) The Academy shall provide to the Charter Schools Office Director a copy of the Academy's real property leases, sublease or other agreements set forth in the Schedules.
 - (iii) The Academy, through legal counsel, shall provide a legal opinion to the Charter Schools Office Director confirming that the Academy Board's approval and execution of any real property lease or other agreement with Educational Service Providers complies with the Contracts of Public Servants with Public Entities statute, MCL 15.321 et seq.
 - (iv) The Academy shall provide to the Charter Schools Office Director, if applicable, a copy of an AHERA asbestos plan and lead based paint survey for the site or sites set forth in the Schedules.
 - (v) The Academy shall provide to the Charter Schools Office Director, if applicable, a copy of a current boiler inspection/ approval for the site or sites set forth in the Schedules.
 - (vi) The Academy shall provide documentation to the Charter Schools Office Director confirming that the Academy has received occupancy approval from the Michigan Department of Consumer and Industry Services' Office of Fire Safety for the site or sites set forth in the Schedules.

- (vii) The Academy shall provide documentation to the Charter Schools Office Director that it has obtained a short-term cash flow loan to cover the initial cost of operations for the initial academic year. The Academy shall comply with section 1225 of the Revised School Code and the Revised Municipal Finance Act with respect to approving and obtain such funds.
- (viii) Any additional financial information or documentation requested by the University President.
- (ix) If the Academy, for any reason, is unable to enroll students and conduct classes by October 1, 2012, then this Contract is automatically terminated without further action of the parties

The Academy shall notify the Charter Schools Office in writing following completion of the conditions set forth in this Section 12.14(b). For good cause, the Charter Schools Office Director may extend the deadlines set forth above. If the Charter Schools Office Director determines that the Academy has not satisfied the conditions set forth in this Section 12.14(b), the Charter Schools Office Director shall issue a Contract termination letter to the Academy for failing to meet certain conditions set forth in this Section 12.14(b). The issuance of the termination letter by the Charter Schools Office Director shall automatically terminate this Contract without any further action by either the University Board or the Academy Board. Upon issuance of the termination letter, the Charter Schools Office Director shall notify the Superintendent of Public Instruction and the Michigan Department of Education that the Contract has been terminated.

- (c) Extended Term of Contract. If the Academy satisfies the conditions set forth above in Section 12.14(b), the Academy will be eligible for consideration of a new contract term.
- Section 12.15. <u>Survival of Provisions</u>. The terms, provisions, and representations contained in Section 11.4, Section 11.17, Section 11.12, and Section 12.7, and any other provision of this Contract that by their sense and context are intended to survive termination of this Contract shall survive.
- Section 12.16. <u>Termination of Responsibilities</u>. Upon termination or revocation of this Contract, the University Board and its designees shall have no further obligations or responsibilities under this Contract to the Academy or any other person or persons in connection with this Contract.
- Section 12.17. <u>Disposition of Academy Assets Upon Termination or Revocation of Contract</u>. Following termination or revocation of the Contract, the Academy shall follow the applicable wind-up and dissolution provisions set forth in the Academy's articles of incorporation and in accordance with Applicable Law.

[INTENTIONALLY LEFT BLANK]

As the designated representative of the Grand Valley State University Board of Trustees, I hereby issue this Contract to the Academy on the date set forth above.

GRAND VALLEY STATE UNIVERSITY

BOARD OF TRUSTEES

By:

University President or his/her designee

As the authorized representative of the Academy, I hereby certify that the Academy is able to comply with the Contract and all Applicable Law, and that the Academy, through its governing board, has approved and agreed to comply with and be bound by the terms and conditions of this Contract.

Detroit Enterprise Academy

By: Brence Mack Academy Board President

AMENDMENT TO CONTRACT TO CHARTER A PUBLIC SCHOOL ACADEMY

BETWEEN

DETROIT ENTERPRISE ACADEMY (A PUBLIC SCHOOL ACADEMY) AND

GRAND VALLEY STATE UNIVERSITY BOARD OF TRUSTEES (AUTHORIZING BODY)

In accordance with Section 9.1 of the Terms and Conditions of the Contract ("Contract") dated July 1, 2012, issued by the GRAND VALLEY STATE UNIVERSITY BOARD OF TRUSTEES ("University Board") to DETROIT ENTERPRISE ACADEMY ("Academy"), the parties agree to the following:

- 1. The following Contract Schedule is amended:
 - a. Amend Schedule 7-3, <u>Staff Responsibilities</u>, by adding the language attached under TAB A to the end of the Schedule.

The undersigned have read, understand and agree to comply with and be bound by the terms of and the conditions set forth in this Amendment to the Contract.

DETROIT ENTERPRISE ACADEMY	GRAND VALLEY STATE UNIVERSITY BOARD OF TRUSTEES
By: Bende Muck Brenda Mack	By: Timothy H. Wood, Ph.D.
Its: Board President	Its: Authorized Designee
Date: 9/5/13	Date: 10-8-13

Administrator and Teacher Evaluation Systems. The Academy Board shall adopt and implement for all teachers and school administrators a rigorous, transparent, and fair performance evaluation system that complies with sections 1249 and 1250 of the Code. If the Academy enters into an agreement with an Educational Service Provider, then the Academy Board shall ensure that the Educational Service Provider adopts a performance evaluation system that complies with this section.

Performance Evaluation System Commencing with the 2013-2014 School Year. If the Academy Board adopts and implements for all teachers and school administrators a performance evaluation system that complies with section 1249(7) of the Code, then the Academy Board is not required to implement a performance evaluation system that complies with section 1249(2) and (3). If the Academy enters into an agreement with an Educational Service Provider, then the Academy Board shall ensure that the Educational Service Provider adopts a performance evaluation system that complies with this section.

Parent Notification of Ineffective Teacher Ratings. Beginning with the 2015-2016 school year and continuing on during the term of this Contract, if a pupil is assigned to be taught by a teacher who has been rated as ineffective on his or her 2 most recent annual year-end evaluations under section 1249, the Academy Board shall notify the pupil's parent or legal guarding that the pupil has been assigned to a teacher who has been rated as ineffective on the teacher's 2 most recent annual year-end evaluations. The notification shall be in writing and shall be delivered to the pupil's parent or legal guardian by U.S. mail not later than July 15th immediately preceding the beginning of the school year for which the pupil is assigned to the teacher, and shall identify the teacher who is the subject of the notification.

Teacher and Administrator Job Performance Criteria. The Academy Board shall implement and maintain a method of compensation for its teachers and school administrators that includes job performance and job accomplishments as a significant factor in determining compensation and additional compensation earned and paid in accordance with Applicable Law. The assessment of job performance shall incorporate a rigorous, transparent, and fair evaluation system that evaluates a teacher's or school administrator's performance at least in part based upon data on student growth as measured by assessments and other objective criteria. If the Academy enters into an agreement with an Educational Service Provider, then the Academy Board shall ensure that the Educational Service Provider complies with this section.

AMENDMENT TO CONTRACT TO CHARTER A PUBLIC SCHOOL ACADEMY

BETWEEN

DETROIT ENTERPRISE ACADEMY (A PUBLIC SCHOOL ACADEMY) AND

GRAND VALLEY STATE UNIVERSITY BOARD OF TRUSTEES (AUTHORIZING BODY)

In accordance with Section 9.1 of the Terms and Conditions of the Contract ("Contract") dated July 1, 2012, issued by the GRAND VALLEY STATE UNIVERSITY BOARD OF TRUSTEES ("University Board") to DETROIT ENTERPRISE ACADEMY ("Academy"), the parties agree to the following:

1. The following Contract Schedule is amended:

DETROIT ENTERPRISE ACADEMY

a. Amend Schedule 7-2, <u>Curriculum</u>, by replacing the current curriculum, in its entirety, with the curriculum attached under Tab A.

GRAND VALLEY STATE UNIVERSITY

The undersigned have read, understand and agree to comply with and be bound by the terms of and the conditions set forth in this Amendment to the Contract.

	BOARD OF TRUSTEES
By: Menda Meek Brenda Mack	Ву:
Brenda Mack	Timothy H. Wood, Ph.D.

Its: Board President lts: Authorized Designee

Date: 4/4/2013 Date: 9/9/13

See separate CD for Curriculum

AMENDMENT TO CONTRACT TO CHARTER A PUBLIC SCHOOL ACADEMY

BETWEEN

DETROIT ENTERPRISE ACADEMY (A PUBLIC SCHOOL ACADEMY) AND

GRAND VALLEY STATE UNIVERSITY BOARD OF TRUSTEES (AUTHORIZING BODY)

In accordance with Section 9.1 of the Terms and Conditions of the Contract ("Contract") dated July 1, 2012, issued by the GRAND VALLEY STATE UNIVERSITY BOARD OF TRUSTEES ("University Board") to DETROIT ENTERPRISE ACADEMY ("Academy"), the parties agree to the following:

A. The following Terms and Conditions are amended:

- 1. Amend Article VI, Operating Requirements, as follows:
 - a. Add the following language in bold to Section 6.5. <u>Methods of Accountability</u>. The amended paragraph should read as follows:
 - "Section 6.5. Methods of Accountability. In addition to those set forth in this Section 6.5, the Academy shall evaluate its pupils' work based on the assessment strategies identified in the Schedules. To the extent applicable, the pupil performance of the Academy shall be assessed using at least the **approved state standardized assessment** designated under the Code. The Academy shall provide the University Charter Schools Office with copies of reports, assessments and test results concerning the following:
 - a) educational outcomes achieved by pupils attending the Academy and other reports reasonably requested by the University Charter Schools Office;
 - b) an assessment of the Academy's student performance at the end of each academic school year or at such other times as the University Board may reasonably request;
 - c) an annual education report in accordance with the Code;
 - d) an annually administered nationally recognized norm-referenced achievement test for the Academy's grade configuration or a program of testing approved by the University Charter Schools Office Director; and
 - e) all tests required under Applicable Law."
 - b. Add the following language in bold to Section 6.15. <u>Matriculation Agreements</u>. The amended paragraph should read as follows:

"Section 6.15. <u>Matriculation Agreements</u>. Before the Academy Board approves a matriculation agreement with another public school, the Academy shall provide a draft **and final** copy of the agreement to the University Charter Schools Office for review **and retention**."

- 2. Amend Article X, <u>Termination</u>, <u>Suspension and Revocation</u>, as follows:
 - a. Add the following language in bold to Section 10.5. Other Grounds for Revocation, subsection (d). The amended paragraph should read as follows:
 - "d) The Academy files amendments to its Articles of Incorporation with the Michigan Department of Labor and Economic Growth, Bureau of Commercial Services without first obtaining University **President or Designee** approval;"
- 3. Amend Article XII, General Terms, as follows:
 - a. Add the following language in bold to Section 12.14. <u>Term of Contract</u>. The amended paragraph should read as follows:

"Section 12.14. Term of Contract.

- (a) <u>Initial Term of Contract.</u> Except as otherwise provided in Section 12.14 (b) **and** (c) set forth below, this Contract shall commence on July 1, 2012, and shall remain in full force and effect for seven (7) years until June 30, 2019, unless sooner terminated according to the terms hereof.
- (b) <u>Termination of Contract During Initial Term of Contract</u>. Consistent with the procedures set forth in this Section 12.14(b), this Contract will terminate on **June 30**, **2013**, if the Academy fails to satisfy all of the following conditions:
 - (i) The Academy shall provide to the Charter Schools Office Director a copy of the Academy's agreements with any Educational Management Organization. The terms and conditions of the agreements must be acceptable to the University President.
 - (ii) The Academy shall provide to the Charter Schools Office Director a copy of the Academy's real property leases, sublease or other agreements set forth in the Schedules.
 - (iii) The Academy, through legal counsel, shall provide a legal opinion to the Charter Schools Office Director confirming that the Academy Board's approval and execution of any real property lease or other agreement with Educational Management Organization complies with the Contracts of Public Servants with Public Entities statute, MCL 15.321 et seq.
 - (iv) The Academy shall provide to the Charter Schools Office Director, if applicable, a copy of an AHERA asbestos plan and lead based paint survey for the site or sites set forth in the Schedules.
 - (v) The Academy shall provide to the Charter Schools Office Director, if applicable, a copy of a current boiler inspection/ approval for the site or sites set forth in the Schedules.
 - (vi) The Academy shall provide documentation to the Charter Schools Office Director confirming that the Academy has received

occupancy approval from the Michigan Department of Consumer and Industry Services' Office of Fire Safety for the site or sites set forth in the Schedules.

- (vii) The Academy shall provide documentation to the Charter Schools Office Director that it has obtained a short-term cash flow loan to cover the initial cost of operations for the initial academic year. The Academy shall comply with section 1225 of the Revised School Code and the Revised Municipal Finance Act with respect to approving and obtain such funds.
- (viii) Any additional financial information or documentation requested by the University President.

The Academy shall notify the Charter Schools Office in writing following completion of the conditions set forth in this Section 12.14(b). For good cause, the Charter Schools Office Director may extend the deadlines set forth above. If the Charter Schools Office Director determines that the Academy has not satisfied the conditions set forth in this Section 12.14(b), the Charter Schools Office Director shall issue a Contract termination letter to the Academy for failing to meet certain conditions set forth in this Section 12.14(b). The issuance of the termination letter by the Charter Schools Office Director shall automatically terminate this Contract without any further action by either the University Board or the Academy Board. Upon issuance of the termination letter, the Charter Schools Office Director shall notify the Superintendent of Public Instruction and the Michigan Department of Education that the Contract has been terminated.

(c) <u>Inability to Enroll Students for Classes.</u> If the Academy, for any reason, is unable to enroll students and conduct classes by October 1, 2012, then this Contract is automatically terminated without further action of the parties."

B. The following Contract Schedule is amended:

1. Amend Contract Schedule 7-4, <u>Methods of Accountability</u>, by replacing the current document with the document attached under Tab A.

The undersigned have read, understand and agree to comply with and be bound by the terms of and the conditions set forth in this Amendment to the Contract.

DETROIT ENTERPRISE ACADEMY

GRAND VALLEY STATE UNIVERSITY

BOARD OF TRUSTEES

Steven N. Wade

Timothy H. Wood, Ph.D.

Its: Board President

Its: Authorized Designee

Date: January 7, 2015 Date: 2/10/15

SCHEDULE 7-4

Grand Valley State University shall evaluate the success of the Academy by considering multiple areas of performance. A Comprehensive Performance Review (CPR) system will be established by Grand Valley State University Charter Schools Office and shall include, but not be limited to, the performance of the Academy in the areas of student performance, board governance, organizational performance, compliance reporting, facility conditions, fiscal strength and reporting and other pertinent performance data, as required by federal and state law, the authorizing contract, or desired by the authorizer for review.

Included in the Comprehensive Performance Review shall be the requirements of Article VI Section 6.5 of the authorizing agreement, which states:

Section 6.5. <u>Methods of Accountability</u>. In addition to those set forth in this Section 6.5, the Academy shall evaluate its pupils' work based on the assessment strategies identified in the Schedules. To the extent applicable, the pupil performance of the Academy shall be assessed using at least the approved state standardized assessment designated under the Code. The Academy shall provide the University Charter Schools Office with copies of reports, assessments and test results concerning the following:

- a) educational outcomes achieved by pupils attending the Academy and other reports reasonably requested by the University Charter Schools Office;
- b) an assessment of the Academy's student performance at the end of each academic school year or at such other times as the University Board may reasonably request;
- c) an annual education report in accordance with the Code;
- d) an annually administered nationally recognized norm-referenced achievement test for the Academy's grade configuration, or a program of testing approved by the University Charter Schools Office Director; and
- e) all tests required under Applicable Law.

The University Board may use such reports, assessments and test results in making its decision to revoke, terminate, or not issue a new contract at the end of the Contract.

Date:

Board President/Vice President Signature

Secretary's Certification:

I certify that the foregoing resolution was duly adopted by the Detroit City Nice Board of Directors at a properly noticed open meeting held on the day of January, 2017, at which a quorum was present.

Board Secretary

SCHEDULE 1

METHOD OF SELECTION RESOLUTION AUTHORIZING RESOLUTION



CERTIFIED COPY OF RESOLUTION ADOPTED BY THE BOARD OF TRUSTEES OF GRAND VALLEY STATE UNIVERSITY ON APRIL 27, 2012:

Reauthorization of 6a Charter Contract - Detroit Enterprise Academy, Detroit (7 years)

The following resolution is proposed:

WHEREAS, the Board of Trustees of Grand Valley State University at its meeting on June 25, 2004, authorized the issuance of a contract to charter a public school academy to Detroit Enterprise Academy (the "Academy") with an effective date of June 25, 2004; and

WHEREAS, the University's Charter Schools Office has completed its evaluation and assessment of the operation and performance of the Academy; and

WHEREAS, the present Board of Directors of the Academy has requested the reissuance of a contract to charter as a public school academy; and

WHEREAS, the University President's designee has recommended the reissuance of a contract to charter as a public school academy to the Academy for a seven (7) year term beginning July 1, 2012 and ending June 30, 2019;

NOW, THEREFORE, BE IT RESOLVED, that the University Board of Trustees approves and reauthorizes the execution of a contract to charter a public school academy to the Academy and authorizes the University President or designee to execute the contract to charter a public school academy and related documents to the Academy for a seven (7) year term, provided that, before the execution of the contract, the University President or designee affirms that all terms of the contract have been agreed upon and the Academy is able to comply with all terms and conditions of the contract and applicable law. This resolution shall be incorporated in and made part of the contract as Schedule 1.

IN WITNESS WHEREOF, I have hereunto signed my name as Secretary and have caused the seal of said body corporate to be hereto affixed this 1st day of May 2012.

Teri L. Losey, Secretary

Board of Trustees

Grand Valley State University



I CAMPUS DRIVE • ALLENDALE, MICHIGAN 49401-9403

CERTIFIED COPY OF RESOLUTION ADOPTED BY THE BOARD OF TRUSTEES OF GRAND VALLEY STATE UNIVERSITY ON JUNE 25, 2004:

Detroit Enterprise Academy

On motion by Mrs. Dalman and second by Ms. Brooks, the following resolution was adopted unanimously:

WHEREAS, the Michigan Legislature has provided for the establishment of public school academies as part of the Michigan public school system by enacting Act No. 362 of the Public Acts of 1993; and

WHEREAS, according to this legislation, the Grand Valley State University Board of Trustees, as the governing body of a state public university, is an authorizing body empowered to issue contracts to organize and operate public school academies; and

WHEREAS, the Michigan Legislature has mandated that public school academy contracts be issued on a competitive basis taking into consideration the resources available for the proposed public school academy, the population to be served by the proposed public school academy, and the educational goals to be achieved by the proposed public school academy; and

WHEREAS, the Grand Valley State University Board of Trustees, having requested applications for organizing public school academies and having reviewed the applications according to the provisions set forth by the Michigan Legislature;

NOW, THEREFORE, BE IT RESOLVED:

- 1. That the application for Detroit Enterprise Academy ("Academy"), submitted under Section 502 of the Revised School Code, meets the Board of Trustees' requirements and the requirements of applicable law, is therefore approved;
- 2. That the Board of Trustees establishes the method of selection, length of term and number of members of the Academy's Board of Directors as follows:

Method of Selection and Appointment of Academy Board Members:

- Initial Academy Board Member Nominations and a. Appointments: As part of the public school academy application, the public school academy applicant shall propose to the Director of the University Charter Schools Office ("Director"), the names of proposed individuals to serve on the initial board of directors of the proposed public school academy. When the Director recommends an initial contract for approval to the Board of Trustees, he/she shall include recommendations for initial Academy Board members. These recommendations may, but are not required to, include individuals proposed by the public school academy applicant. To be considered for appointment, the nominees must have completed the required board member candidate application materials, including at least (i) the Academy Board Member Questionnaire prescribed by the University Charter Schools Office; and (ii) the Criminal Background Check Report prescribed by the University Charter Schools Office.
- Subsequent Academy Board Member Nominations and b. Appointments: Except as provided in paragraph (2) below, the Academy Board may nominate individuals for subsequent Academy Board of Director positions. As part of the appointment process, the Academy Board may submit to the Director: (i) the name of the nominee; (ii) the board member candidate application materials identified in paragraph (a) above; and (iii) a copy of the Academy Board The Director may or may not nominating resolution. recommend the proposed nominee submitted by the Academy Board. If the Director does not recommend a nominee submitted by the Academy Board, the Director shall select a nominee and forward that recommendation to the Board of Trustees for appointment. The Board of Trustees shall have the sole and exclusive right to appoint members to the Academy Board.
- c. Exigent Appointments: When the Director determines an "exigent condition" exists which requires him/her to make an appointment to a public school academy's board of directors, the Director, with University President approval, may immediately appoint a person to serve as a public school academy board member for the time specified, but not longer than the next meeting held by the Board of Trustees when a regular appointment may be made by the

Board of Trustees. The Director shall make the appointment in writing and notify the public school academy's board of directors of the appointment. Exigent conditions include, but are not limited to when an Academy Board seat is vacant, when a Academy Board cannot reach a quorum, when the Board of Trustees determines that an Academy Board member's service is no longer required, when an Academy Board fails to fill a vacancy, or other reasons which would prohibit the Academy Board from taking action without such an appointment.

- 3. Qualifications of Academy Board Members: To be qualified to serve on the Academy Board, a person shall: (a) be a citizen of the United States; (b) reside in the State of Michigan; (c) submit all materials requested by the GVSU Charter Schools Office including, but not limited to, a GVSU Academy Board Member Questionnaire and a release for criminal history background check; (d) not be an employee of the Academy; (e) not be a director, officer, or employee of a company or other entity that contracts with the Academy; and (f) not be an employee or representative of GVSU or be a member of the Board of Trustees.
- 4. Oath /Acceptance of Office / Voting Rights: Following appointment by the Board of Trustees, Academy Board Appointees may begin their legal duties, including the right to vote, after they have signed an Acceptance of Public Office form and taken the Oath or Affirmation of Public Office administered by a member of the Academy Board, other public official or notary public.
- 5. Length of Term; Removal: An appointed Academy Board member is an "at will" board member who shall serve at the pleasure of the Board of Trustees for a term of office not to exceed three (3) years. Regardless of the length of term, terms shall end on June 30 of the final year of service, unless shorter due to other provisions of this resolution. A person appointed to serve as an Academy Board member may be reappointed to serve additional terms. When an Academy Board member is appointed to complete the term of service of another Academy Board member, their service ends at the end of the previous Academy Board member's term.

If the Board of Trustees determines that an Academy Board member's service in office is no longer required, then the Board of Trustees may remove an Academy board member with or without cause and shall specify the date when the Academy Board member's service ends. An Academy Board member may be

removed from office by a two-thirds (2/3) vote of the Academy's Board for cause.

- 6. Resignations: A member of the Academy Board may resign from office by submitting a written resignation or by notifying the Director. The resignation is effective upon receipt by the Director, unless a later date is specified in the resignation. A written notice of resignation is not required. If no such written notification is provided, then the Director shall confirm a resignation in writing. The resignation shall be effective upon the date the Director sends confirmation to the resigning Academy Board member.
- 7. **Vacancy:** An Academy Board position shall be considered vacant when an Academy Board member:
 - a. Resigns
 - b. Dies
 - c. Is removed from Office
 - d. Is convicted of a felony
 - e. Ceases to be qualified
 - f. Is incapacitated
- 8. <u>Filling a Vacancy:</u> The Academy Board may nominate and the Director shall recommend or temporarily appoint persons to fill a vacancy as outlined in the "Subsequent Appointments" and "Exigent Appointments" procedures in this resolution.
- 9. Number of Academy Board Member Positions: The number of member positions of the Academy Board of Directors shall be five (5), seven (7) or nine (9), as determined from time to time by the Academy Board.
- 10. **Quorum:** In order to legally transact business the Academy Board shall have a quorum physically present at a duly called meeting of the Academy Board. A "quorum" shall be defined as follows:

# of Academy Board positions	# required for Quorum
Five (5)	Three (3)
Seven (7)	Four (4)
Nine (9)	Five (5)

11. <u>Manner of Acting:</u> The Academy Board shall be considered to have "acted," when a duly called meeting of the Academy Board has a quorum present and the number of board members voting in favor of an action is as follows:

# of Academy Board positions	# for Quorum	# required to act
Five (5)	Three (3)	Three (3)
Seven (7)	Four (4)	Four (4)
Nine (9)	Five (5)	Five (5)

12. <u>Initial Members of the Board of Directors:</u> The Grand Valley State University Board of Trustees appoints the following persons to serve as the initial members of the Academy's Board of Directors for the designated term of office set forth below:

Beverly C. Humes	2 year term
Carolyn Lee	2 year term
Margaret B. Scott	1 year term
James J. Stevenson	3 year term

13. The Grand Valley State University Board of Trustees approves and authorizes the execution of a contract to charter a public school academy to the Academy and authorizes the Chairperson of the University Board of Trustees to issue a contract to charter a public school academy and related documents ("Contract") to the Academy, provided that, before execution of the Contract, the University President or designee affirms that all terms of the contract have been agreed upon and the Academy is able to comply with all terms and conditions of the Contract and Applicable Law. This resolution shall be incorporated in and made part of the Contract.

IN WITNESS WHEREOF, I have hereunto signed my name as Secretary and have caused the seal of said body corporate to be hereto affixed this 25th day of August, 2004.

Teri L. Losey, Secretary

Board of Trustees

Grand Valley State University

SCHEDULE 2

ARTICLES OF INCORPORATION

MICHIGAN DI	BUREAU OF COMMERC	MER AND INDUSTRY SERVICES CIAL SERVICES
Date Received		(FOR BUREAU USE ONLY)
JUN 0 8 2004		
		JUN 0 9 2004
La Rae G. Munk Law Office of La Rae G 4908 Tucker St. Midland, MI 48640	G. Munk, P.C.	Administrator Burzau of Cormencul Semices
		EFFECTIVE DATE:
Document will be retu	urned to the name and addre	ess you enter above 788^{-572}

ARTICLES OF INCORPORATION For Use by Domestic Nonprofit Corporations

OF

DETROIT ENTERPRISE ACADEMY

Pursuant to the provisions of the Michigan Nonprofit Corporation Act of 1982, as amended (the "Act"), being MCL 450.2101 et seq, and Part 6A of the Revised School Code (the "Code") as amended, being Sections 380.501 to 380.507 of the Michigan Compiled Laws, the undersigned corporation executes the following Articles:

ARTICLE I

The name of the corporation is: Detroit Enterprise Academy.

The authorizing body for the corporation is: The Grand Valley State University Board of Trustees.

ARTICLE II

The purpose or purposes for which the corporation is organized are:

1. The corporation is organized for the purpose of operating as a public school academy in the State of Michigan pursuant to Part 6A of the Code, being Sections 380.501 to 380.507 of the Michigan Compiled Laws.

GOLD SEAL APPEARS ONLY ON ORIGINAL 3

and Cac

2. The corporation, including all activities incident to its purposes, shall at all times be conducted so as to be a governmental entity pursuant to Section 115 of the United States Internal Revenue Code ("IRC") or any successor law. Notwithstanding any other provision of these Articles, the corporation shall not carry on any other activity not permitted to be carried on by a governmental instrumentality exempt from federal income tax under Section 115 of the IRC or by a nonprofit corporation organized under the laws of the State of Michigan and subject to a Contract authorized under the Code.

ARTICLE III

The corporation is organized on a non-stock, directorship basis.

The value of assets which the corporation possesses is:

Real Property: \$0.

Personal Property: \$0.

The corporation is to be financed under the following general plan:

- a. State school aid payments received pursuant to the State School Aid Act of 1979 or any successor law.
- b. Federal funds.
- c. Donations.
- Fees and charges permitted to be charged by public school academies.
- e. Other funds lawfully received.

ARTICLE IV

The address of the registered office is 4908 Tucker St., Midland, MI 48640

The mailing address of the registered office is the same.

The name of the resident agent at the registered office is La Rae G. Munk

ARTICLE V

The name and address of the incorporator is as follows:

La Rae G. Munk, Attorney at Law, 4908 Tucker St., Midland, MI 48640.

ARTICLE VI

The corporation is a governmental entity.

ARTICLE VII

The corporation and its incorporators, board members, officers, employees, and volunteers have governmental immunity as provided in section 7 of Act No. 170 of the Public Acts of 1964, being section 691.1407 of the Michigan Compiled Laws.

ARTICLE VIII

Before execution of a contract to charter a public school academy between the corporation and the Grand Valley State University Board of Trustees (the "University Board"), the method of selection, length of term, and the number of members of the Board of Directors of the corporation shall be approved by a resolution of the University Board as required by the Code.

ARTICLE IX

The Board of Directors shall have all the powers and duties permitted by law to manage the business, property and affairs of the corporation.

ARTICLE X

The officers of the corporation shall be a President, Vice-President, Secretary and a Treasurer, each of whom shall be a member of the Board of Directors and shall be selected by the Board of Directors. The Board of Directors may select one or more assistants to the Secretary or Treasurer, and may also appoint such other agents as it may deem necessary for the transaction of the business of the corporation.

ARTICLE XI

No part of the net earnings of the corporation shall inure to the benefit of or be distributable to its directors, board, officers or other private persons, or organization organized and operated for a profit (except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in the furtherance of the purposes set forth in Article II hereof). Notwithstanding any other provision of these Articles, the corporation shall not carry on any other activities not permitted to be carried on by a governmental entity exempt from federal income tax under section 115 of the IRC, or comparable provisions of any successor law.

To the extent permitted by law, upon the dissolution of the corporation, the board shall after paying, or making provision for the payment of all of the liabilities of the corporation, dispose of all of the assets of the corporation to the University Board for forwarding to the state school aid fund established under article IX, section 11 of the Constitution of the State of Michigan of 1963, as amended.

ARTICLE XII

These Articles of Incorporation shall not be amended except by the process provided in Article IX of the Contract executed by the corporation and the University Board. This process is as follows:

The corporation, by a majority vote of its Board of Directors, may, at any time, propose specific changes to these Articles of Incorporation or may propose a meeting to discuss potential revision to these Articles of Incorporation. The proposal will be made to the University Board through its designee. The University Board delegates to its President the review and approval of changes or amendments to these Articles of Incorporation. In the event that the University President does not accept a proposed change, the University Board shall consider and vote upon a change proposed by the corporation following an opportunity for a written and oral presentation to the University Board by the corporation.

At any time and for any reason, the University Board or an authorized designee may propose specific changes to these Articles of Incorporation or may propose a meeting to discuss potential revision. The corporation's Board of Directors may delegate to an officer of the corporation the review and negotiation of changes or amendments to these Articles of Incorporation. The Articles of Incorporation shall be amended as requested by the University Board upon a majority vote of the corporation's Board of Directors.

Amendments to these Articles of Incorporation take effect only after they have been approved by the corporation's Board of Directors and by the University Board or its designee and filed with the Michigan Department of Consumer and Industry Services, Bureau of Commercial Services. In addition, the corporation shall file with the amendment a copy of the University Board's or its designee's approval of the amendment.

ADOPTION OF ARTICLES

These Articles of Incorporation were duly adopted on this 4th day of Quee, 2004. These Articles of Incorporation shall become effective upon filing. However, the corporation shall not carry out the purposes set forth in Article II unless the University Board issues to the corporation a contract to operate as a public school academy, and the contract is executed by both the corporation and the University Board.

By: Salae H. Muske

Prepared by: La Rae G. Munk (P41154) Law Office of La Rae G. Munk, P.C. Attorney at Law 4908 Tucker St. Midland, MI 48640 989-832-2889

MICHIGAN DEPARTMENT OF LABOR & ECONO BUREAU OF COMMERCIAL SER	OMIC GROWTH '		
Date Received (FOR BUREAU USE COUNTY)	ONLY) Tran Info:1 9828181-1 10/01/04 Chk#: 131264 Aux: \$10.00 ID: 782572		
This document is effective on the date filed, unless a subsequent effective date within 90 days after received date is stated in the document.	FILED		
Name Danielle A. Phillips Address	OCT 0 8 2004		
3850 Broadmoor SE City State ZIP Code Grand Rapids MI 49512	Administrator PURPLE OF COMMERCIAL NEW KES EFFECTIVE DATE:		
Grand Rapids Document will be returned to the name and address you enter above. If left blank document will be mailed to the registered office. CERTIFICATE OF AMENDMENT TO THE ARTICLES OF INCORPORATION For use by Domestic Profit and Nonprofit Corporations (Please read information and instructions on the last page) Pursuant to the provisions of Act 284, Public Acts of 1972, (profit corporations), or Act 162, Public Acts of 1982 (nonprofit corporations), the undersigend corporation executes the following Certificate:			
The present name of the corporation is:	Detroit Enterprise Academy		
2. The identification number assigned by the Bureau is:	788-572		
Article VIII of the Articles of Incorporation See following page.	n is hereby amended to read as follows:		

Method of Selection and Appointment of Academy Board Members:

a. Initial Academy Board Member Nominations and Appointments: As part of the public school academy applicant shall propose to the Director of the University Charter Schools Office ("Director"), the names of proposed individuals to serve on the initial board of directors of the proposed public school academy. When the Director recommends an initial contract for approval to the Board of Trustees, he/she shall include recommendations for initial Academy Board members. These recommendations may, but are not required to, include individuals proposed by the public school academy applicant. To be considered for appointment, the nominees must have completed the required board member candidate application materials, including at least (i) the Academy Board Member Questionnaire prescribed by the University Charter Schools Office; and (ii) the Criminal Background Check Report prescribed by the University Charter Schools Office.

b. Subsequent Academy Board Member Nominations and Appointments: Except as provided in paragraph (2) below, the Academy Board may nominate individuals for subsequent Academy Board of Director positions. As part of the appointment process, the Academy Board may submit to the Director: (i) the name of the nominee; (ii) the board member candidate application materials identified in paragraph (a) above; and (iii) a copy of the Academy Board nominating resolution. The Director may or may not recommend the proposed nominee submitted by the Academy Board. If the Director does not recommend a nominee submitted by the Academy Board, the Director shall select a nominee and forward that recommendation to the Board of Trustees for appointment. The Board of Trustees shall have the sole and exclusive right to appoint members to the Academy Board.

c. Exigent Appointments: When the Director determines an "exigent condition" exists which requires him/her to make an appointment to a public school academy's board of directors, the Director, with University President approval, may immediately appoint a person to serve as a public school academy board member for the time specified, but not longer than the next meeting held by the Board of Trustees when a regular appointment may be made by the Board of Trustees. The Director shall make the appointment in writing and notify the public school academy's board of directors of the appointment. Exigent conditions include, but are not limited to when an Academy Board seat is vacant, when a Academy Board cannot reach a quorum, when the Board of Trustees determines that an Academy Board member's service is no longer required, when an Academy Board member is removed, when an Academy Board fails to fill a vacancy, or other reasons which would prohibit the Academy Board from taking action without such an appointment.

- Qualifications of Academy Board Members: To be qualified to serve on the Academy Board, a person shall: (a) be a citizen of the United States; (b) reside in the State of Michigan; (c) submit all materials requested by the GVSU Charter Schools Office including, but not limited to, a GVSU Academy Board Member Questionnaire and a release for criminal history background check; (d) not be an employee of the Academy; (e) not be a director, officer, or employee of a company or other entity that contracts with the Academy; and (f) not be an employee or representative of GVSU or be a member of the Board of Trustees.
- 3. Oath /Acceptance of Office / Voting Rights: Following appointment by the Board of Trustees, Academy Board Appointees may begin their legal duties, including the right to vote, after they have signed an Acceptance of Public Office form and taken the Oath or Affirmation of Public Office administered by a member of the Academy Board, other public official or notary public.

4. Length of Term; Removal: An appointed Academy Board member is an "at will" board member who shall serve at the pleasure of the Board of Trustees for a term of office not to exceed three (3) years. Regardless of the length of term, terms shall end on June 30 of the final year of service, unless shorter due to other provisions of this resolution. A person appointed to serve as an Academy Board member may be reappointed to serve additional terms. When an Academy Board member is appointed to complete the term of service of another Academy Board member, their service ends at the end of the previous Academy Board member's term.

If the Board of Trustees determines that an Academy Board member's service in office is no longer required, then the Board of Trustees may remove an Academy board member with or without cause and shall specify the date when the Academy Board member's service ends. An Academy Board member may be removed from office by a two-thirds (2/3) vote of the Academy's Board for cause.

- Resignations: A member of the Academy Board may resign from office by submitting a written resignation or by notifying the Director. The resignation is effective upon receipt by the Director, unless a later date is specified in the resignation. A written notice of resignation is not required. If no such written notification is provided, then the Director shall confirm a resignation in writing. The resignation shall be effective upon the date the Director sends confirmation to the resigning Academy Board member.
- 6. <u>Vacancy:</u> An Academy Board position shall be considered vacant when an Academy Board member:
 - a. Resigns
 - b. Dies
 - c. Is removed from Office
 - d. Is convicted of a felony
 - e. Ceases to be qualified
 - f. Is incapacitated
- 7. <u>Filling a Vacancy:</u> The Academy Board may nominate and the Director shall recommend or temporarily appoint persons to fill a vacancy as outlined in the "Subsequent Appointments" and "Exigent Appointments" procedures in this resolution.
- 8. <u>Number of Academy Board Member Positions:</u> The number of member positions of the Academy Board of Directors shall be five (5), seven (7) or nine (9), as determined from time to time by the Academy Board.
- 9. Quorum: In order to legally transact business the Academy Board shall have a quorum physically present at a duly called meeting of the Academy Board. A "quorum" shall be defined as follows:

required for Quorum
Three (3)
Four (4)
Five (5)

10. Manner of Acting: The Academy Board shall be considered to have "acted," when a duly called meeting of the Academy Board has a quorum present and the number of board members voting in favor of an action is as follows:

# of Academy Board positions	# for Quorum	# required to act
Five (5)	Three (3)	Three (3)
Seven (7)	Four (4)	Four (4)
Nine (9)	Five (5)	Five (5)

6. (For a nonprofit corporation whose Articles state the corporation is organized on a directorship basis.)
The foregoing amendment to the Articles of Incorporation was duly adopted on the $q^{+\gamma}$ day of
September , 2004 by the directors of a nonprofit corporation whose articles of incorporation state it is organized on a directorship basis (check one of the following)
at a meeting the necessary votes were cast in favor of the amendment
by written consent of all directors pursuant to Section 525 of the Act.
Signed this 9th day of September, 2004
By All Signature of President, Vice-President, Chairperson or Vice-Chairperson)
Carolyn Lee President (Type of Print Name) (Type of Print Title)
(1 ype of right restrict)

SCHEDULE 3

REVISED BYLAWS

AMENDED BYLAWS

OF

DETROIT ENTERPRISE ACADEMY

ARTICLE I

NAME

This organization shall be called Detroit Enterprise Academy (the "Academy" or the "corporation").

ARTICLE II

FORM OF ACADEMY

The Academy is a governmental entity, organized as a non-profit, non-stock, directorship corporation.

ARTICLE III

OFFICES

Section 3.1. <u>Principal Office</u>. The principal office of the Academy shall be located in the State of Michigan.

Section 3.2. <u>Registered Office</u>. The registered office of the Academy may be the same as the principal office of the Academy, but in any event must be located in the State of Michigan, and be the business office of the resident agent, as required by the Michigan Nonprofit Corporation Act. Changes in the resident agent and registered address of the Academy must be reported to the Michigan Department of Labor and Economic Growth, Bureau of Commercial Services.

ARTICLE IV

BOARD OF DIRECTORS

Section 4.1. <u>General Powers</u>. The business, property and affairs of the Academy shall be managed by the Academy Board of Directors ("Academy Board"). The Academy Board may exercise any and all of the powers granted to it under the Michigan Non-Profit Corporation Act or pursuant to Part 6a of the Revised School Code ("Code"). The Academy Board may delegate such powers to the officers and committees of the Academy Board as it deems necessary, so long as such delegation is consistent with the Articles, these Bylaws, the Charter Contract, and Applicable Law.

Section 4.2. <u>University Board Resolution Establishing Method of Selection, Length of Term and Number of Academy Board Members</u>. The method of selection and appointment, length of term, number of directors, oath of public office requirements, tenure, removal, resignation, compensation and prerequisite qualifications for members of the Academy Board shall comply with the resolution adopted by the Bay Mills Community College Board of Regents (the "College Board").

ARTICLE V

MEETINGS

Section 5.1. <u>Annual and Regular Meetings</u>. The Academy Board shall hold an annual meeting each year. The Academy Board must provide, by resolution, the time and place, within the State of Michigan, for the holding of regular meetings. Unless otherwise agreed to by the University President, the Academy Board must hold at least six (6) regular meetings during the first year of operation. The Academy Board shall provide notice of the annual and all regular meetings as required by the Open Meetings Act.

Section 5.2. Special Meetings. Special meetings of the Academy Board may be called by or at the request of the Academy Board President or any other Director. The person or persons authorized to call special meetings of the Academy Board may fix the place within the State of Michigan for holding any special meeting of the Academy Board called by them, and, if no other place is fixed, the place of meeting shall be the principal business office of the corporation in the State of Michigan. The corporation shall provide notice of all special meetings as required by the Open Meetings Act.

Section 5.3. <u>Notice</u>; <u>Waiver</u>. The Academy Board must comply with the notice provisions of the Open Meeting Act. In addition, notice of any meeting shall be given to each Director stating the time and place of the meeting, delivered personally, mailed, sent by facsimile or electronic mail to each Director at the Director's business address or electronic mailing address. Any Director may waive notice of any meeting by written statement or facsimile sent by the Director and signed before or after the holding of the meeting. The attendance of a Director at a meeting constitutes a waiver of notice to the transaction of any business because the meeting is not lawfully called or convened.

Section 5.4. <u>Quorum</u>. In order to legally transact business the Academy Board shall have a quorum physically present at a duly called meeting of the Academy Board. A "quorum" shall be defined as follows:

# of Academy Board positions	# required for Quorum
Five (5)	Three (3)
Seven (7)	Four (4)
Nine (9)	Five (5)

Section 5.5. <u>Manner of Acting</u>. The Academy Board shall be considered to have "acted," when a duly called meeting of the Academy Board has a quorum present and the number of board members voting in favor of an action is as follows:

# of Academy Board positions	# for Quorum	# required to act
Five (5)	Three (3)	Three (3)
Seven (7)	Four (4)	Four (4)
Nine (9)	Five (5)	Five (5)

Section 5.6. <u>Open Meetings Act</u>. All meetings and committee meetings of the Academy Board, shall at all times be in compliance with the Open Meetings Act.

Section 5.7. <u>Presumption of Assent</u>. A Director of the Academy Board who is present at a meeting of the Academy Board at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless the Director's dissent shall be entered in the minutes of the meetings. Unless a Director abstains from voting on a particular Academy Board agenda item and the abstention is recorded in the Academy Board meeting minutes, the Academy Board meeting minutes shall reflect the vote, whether in favor or in opposition, of each Director present at the meeting.

ARTICLE VI

COMMITTEES

Section 6.1. Committees. The Academy Board, by resolution, may designate one or more committees, each committee to consist of one or more Directors selected by the Academy Board. As provided in the resolution as initially adopted, and as thereafter supplemented or amended by further resolution, the committees shall have such powers as delegated by the Academy Board, except (i) filling of vacancies in the officers of the Academy Board or committees created pursuant to this Section; (ii) amending the Articles of Incorporation or Bylaws; or (iii) any action the Academy Board cannot lawfully delegate under the Articles, the Contract, these Bylaws or Applicable Law. All committee meetings shall at all times be in compliance with the Open Meetings Act. Each committee shall fix its own rules governing the conduct of its activities and shall make such reports to the Academy Board of its activities as the Academy Board may request.

ARTICLE VII

OFFICERS OF THE BOARD

Section 7.1. <u>Number</u>. The officers of the Academy shall be a President, Vice-President, Secretary, Treasurer, and such assistant Treasurers and assistant Secretaries as may be selected by the Academy Board.

Section 7.2. <u>Election and Term of Office</u>. The Academy Board shall elect the initial officers at its first duly noticed meeting. Thereafter, the officers of the Academy shall be elected annually by the Academy Board. If the election of officers is not held at the annual meeting, the election shall be held as soon thereafter as may be convenient. Each officer shall hold office while qualified or until the officer resigns or is removed in the manner provided in Section 3.

Section 7.3. <u>Removal</u>. Any officer or agent elected or appointed by the Academy Board may be removed by the Academy Board whenever in its judgment the best interest of the corporation would be served thereby.

Section 7.4. <u>Vacancies</u>. A vacancy in any office shall be filled by appointment by the Academy Board for the unexpired portion of the term of the vacating officer.

Section 7.5. <u>President</u>. The President of the Academy shall be a member of the Academy Board. The President of the corporation shall preside at all meetings of the Academy Board. If there is not a President of the corporation, or if the President is absent, then the Vice-President shall preside. If the Vice-President is absent, then a temporary chair, chosen by the members of the Academy Board attending the meeting shall preside. The President may be an ex officio member of any standing committees and, when designated by the Academy Board, the Chairperson of any standing committee established by the Academy Board. The President shall, in general, perform all duties incident to the office of President of the Board as may be prescribed by the Academy Board from time to time.

Section 7.6. <u>Vice-President</u>. The Vice-President of the Academy shall be a member of the Academy Board. In the absence of the President or in the event of the President's death, inability, or refusal to act, the Vice-President shall perform the duties of President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice-President shall perform such other duties as from time to time may be assigned to the Vice-President by the President or by the Academy Board.

Section 7.7. Secretary. The Secretary of the Academy shall be a member of the Academy Board. The Secretary shall: (a) keep the minutes of the Academy Board meetings in one or more books provided for that purpose; (b) see that all notices, including those notices required under the Open Meetings Act, are duly given in accordance with the provisions of these Bylaws or as required by law; (c) be custodian of the corporate records and of the seal of the corporation and see that the seal of the corporation is affixed to all authorized documents; (d) keep a register of the post office address of each Director; and (e) perform all duties incident to the office of Secretary and other duties assigned by the President or the Academy Board.

Section 7.8. <u>Treasurer</u>. The Treasurer of the Academy shall be a member of the Academy Board. The Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the corporation; (b) keep accurate books and records of corporate receipts and disbursements; (c) deposit all moneys and securities received by the corporation in such banks, trust companies or other depositories as shall be selected by the Board; (d) complete all required corporate filings; (e) assure that the responsibilities of the fiscal agent of the corporation are properly carried out; and (f) in general perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the President or by the Academy Board.

Section 7.9. <u>Assistants and Acting Officers</u>. The Assistants to the officers, if any, selected by the Academy Board, shall perform such duties and have such authority as shall from time to time be delegated or assigned to them by the Secretary or Treasurer or by the Academy Board. The Academy Board shall have the power to appoint any person to perform the duties of an officer whenever for any reason it is impractical for such officer to act personally. Such acting officer so appointed shall have the powers of and be subject to all the restrictions upon the officer to whose office the acting officer is so appointed except as the Academy Board may by resolution otherwise determine.

Section 7.10. <u>Salaries</u>. Officers of the Board, as Directors of the corporation, may not be compensated for their services. By resolution of the Academy Board, Directors and officers may be reimbursed for reasonable expenses incident to their duties.

Section 7.11. <u>Filling More Than One Office</u>. Subject to the statute concerning the Incompatible Public Offices, Act No. 566 of the Public Acts of 1978, being Sections 15.181 to 15.185 of the Michigan Compiled Laws, any two offices of the corporation except those of President and Vice-President may be held by the same person, but no officer shall execute, acknowledge or verify any instrument in more than one capacity.

ARTICLE VIII

CONTRACTS, LOANS, CHECKS AND DEPOSITS; SPECIAL CORPORATE ACTS

Section 8.1. Contracts. The Academy Board may authorize any officer(s), assistant(s) or acting officer(s), to enter into any contract, to execute and deliver any instrument, or to acknowledge any instrument required by law to be acknowledged in the name of and on behalf of the corporation. Such authority may be general or confined to specific instances, but the appointment of any person other than an officer to acknowledge an instrument required by law to be acknowledged should be made by instrument in writing. When the Academy Board authorizes the execution of a contract or of any other instrument in the name of or on behalf of the corporation, without specifying the executing officers, the President or Vice-President, and the Secretary or Treasurer may execute the same and may affix the corporate seal thereto. No contract entered into, by or on behalf of the Academy Board, shall in any way bind Lake Superior State University or impose any liability on Lake Superior State University, its trustees, officers, employees, or agents.

Section 8.2. <u>Loans</u>. No loans shall be contracted on behalf of the Academy and on evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Academy Board. Such authority may be general or confined to specific instances. No loan, advance, overdraft, or withdrawal by an officer or Director of the corporation, other than in the ordinary and usual course of the business of the Academy, shall be made or permitted. No loan entered into, by or on behalf of the Academy Board, shall in any way be considered a debt or obligation of Lake Superior State University or impose any liability on Lake Superior State University, its trustees, officers, employees, or agents.

Section 8.3. <u>Checks, Drafts, etc.</u> All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Academy, shall be signed by such officer or officers, agent or agents, of the corporation and in such manner as shall from time to time be determined by resolution of the Academy Board.

Section 8.4. <u>Deposits</u>. Consistent with Section 1221 of the Code, the Treasurer of the Academy shall deposit the funds of the Academy in a financial institute or in a joint investment authorized by the Code. All additional funds of the Academy shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositories as the Academy Board may select, provided that such financial institution is eligible to be a depository of surplus funds under Section 6 of Act No. 105 of the Public Acts of 1855, as amended, being Sections 21.146 of the Michigan Compiled Laws.

Section 8.5. Voting of Gifted, Bequested or Transferred Securities Owned by this Corporation. Subject always to the specific directions of the Academy Board, any shares or other securities issued by any other corporation and owned or controlled by this corporation may be voted at any meeting of security holders of such other corporation by the President of this corporation or by proxy appointed by the President, or in the absence of the President and the President's proxy, by the Secretary or Treasurer of this corporation by proxy appointed by the Secretary or Treasurer. Such proxy or consent is respect to any shares or other securities issued by any other corporation and owned by this corporation shall be executed in the name of this corporation by the President, the Secretary or the Treasurer of this corporation without necessity of any authorization by the Academy Board, affixation of corporate seal or countersignature or attestation by another officer. Any person or persons designated in the manner above stated as the proxy or proxies of this corporation shall have full right, power, and authority to yote the shares or other securities issued by such other corporation and owned by this corporation the same as such shares or other securities might be voted by this corporation. This section shall in no way be interpreted to permit the corporation to invest any of its surplus funds in any shares or other securities issued by any other corporation. This section is intended to apply, however, to all gifts, bequests or other transfers of shares or other securities issued by any other corporation which are received by the corporation.

Serve as Directors. Pursuant to the Code, each Director, officer or employee of the Academy shall comply with the Incompatible Public Offices statute, Act No. 566 of the Public Acts of 1978, being MCL 15.181 to 15.185 of the Michigan Compiled Laws, and the Contracts of Public Servants With Public Entities statute, Act No. 371 of the Public Acts of 1968, being MCL 15.321 to 15.330 of the Michigan Compiled Laws. The Academy Board shall ensure compliance with Applicable Law relating to conflicts of interest. The following shall be deemed a prohibited conflict of interest:

- (a) An individual simultaneously serving as Director and an owner, officer, director, employee or paid consultant of an Educational Management Organization that has an agreement with the Academy;
 - (b) An individual simultaneously serving as Director and an employee of the corporation;
- (c) An individual simultaneously serving as a Director and an independent contractor to the Academy;
- (d) An individual simultaneously serving as a Director and as a member of the governing board of another public school; and
- (e) An individual simultaneously serving as a Director and a University employee or paid consultant.

No person shall be eligible to serve as Director if the person's spouse, child, parent, or sibling has: (i) an ownership interest in the Educational Management Organization; or (ii) if the person's spouse, child, parent, or sibling is in a managerial, administrative or officer position with the Educational Management Organization.

ARTICLE IX

INDEMNIFICATION

Each person who is or was a Director, officer or member of a committee of the Academy and each person who serves or has served at the request of the Academy Board as a trustee, director, officer, partner, employee or agent of any other corporation, partnership, joint venture, trust or other enterprise, shall be indemnified by the Academy to the fullest extent permitted by the corporation laws of the State of Michigan as they may be in effect from time to time. The corporation may purchase and maintain insurance on behalf of any such person against any liability asserted against and incurred by such person in any such capacity or arising out of his status as such, whether or not the corporation would have power to indemnify such person against such liability under the preceding sentence. The corporation may, to the extent authorized from time to time by the Board, grant rights to indemnification to any employee or agent of the corporation to the fullest extent provided under the laws of the State of Michigan as they may be in effect from time to time.

ARTICLE X

FISCAL YEAR

The fiscal year of the corporation shall begin on the first day of July in each year.

ARTICLE XI

AMENDMENTS

These Bylaws may be altered, amended or repealed and new Bylaws may be adopted by obtaining (a) the affirmative vote of a majority of the Academy Board at any regular or special meeting of the Academy Board, if a notice setting forth the terms of the proposal has been given in accordance with the notice requirements of these bylaws and applicable law, and (b) the written approval f the changes or amendments by the College President. In the event that a proposed change is not accepted by the College President, the College Board shall consider and vote upon a change proposed by the corporation following an opportunity for a written presentation to the College Board by the Academy Board. These Bylaws and any amendments to them take effect only after they have been approved by both the Academy Board and by the College President or the College Board.

Academy Board shall submit proposed Bylaw changes to the University Charter Schools Office, for review and comment, at least thirty (30) days prior to Academy Board adoption. The Academy's Bylaws, and any subsequent or proposed changes to the Academy's Bylaws, shall not violate or conflict with the Contract. If at any time the University identifies a provision in the Academy Board's Bylaws that violates or conflicts with Applicable Law or this Contract, the Academy Board's Bylaw shall be automatically void and the Academy Board shall amend the identified provision to be consistent with Applicable Law and the Contract. The amendment shall be automatically incorporated into Schedule 3 of the Contract upon receipt by the University Charter Schools Office of a duly authorized Academy Board bylaw change.

ARTICLE XII

The definitions set forth in the Terms and Conditions incorporated as part of the Contract shall have the same meaning in these Bylaws.

CERTIFICATION

The Board certifies that these Bylaws were adopted as and for the Bylaws of a Michigan corporation in an open and public meeting, by the Academy Board on the \(\frac{10}{20}\) day of June, 2012.

Brenda Mack
Secretary

SCHEDULE 4 FISCAL AGENT AGREEMENT

FISCAL AGENT AGREEMENT

This Agreement is made as of June 25, 2004, and shall have an effective date of June 25, 2004, by and among Grand Valley State University Board of Trustees ("University Board"), an authorizing body as defined by the School Code of 1976 as amended, (the "Code"), the State of Michigan (the "State") and the Board of Directors of Detroit Enterprise Academy ("Academy"), a public school academy.

Preliminary Recitals

WHEREAS, the University Board and the Academy are entering into a Contract to Charter a Public School Academy dated June 25, 2004 (the "Contract"), and

WHEREAS, pursuant to the Code and the Contract, the University Board, as authorizing body, is the fiscal agent for the Academy, and

WHEREAS, the University Board is required by law to forward any State School Aid Payments received from the State on behalf of the Academy to the Academy subject to Section 2.3 of the charter contract.

NOW, THEREFORE, in consideration of the premises set forth below, the parties agree to the following:

ARTICLE I

DEFINITIONS AND INTERPRETATIONS

Section 1.01. Definitions. Unless otherwise provided, or unless the context requires otherwise, the following terms shall have the following definitions:

"Account" means an account established by the Academy for the receipt of State School Aid Payments at a bank, savings and loan association, or credit union which is eligible to be a depository of surplus funds under Sections 5 or 6 of Act No. 105 of the Public Acts of 1855, being Sections 21.145 and 21.146 of the Michigan Compiled Laws.

"Agreement" means this Fiscal Agent Agreement executed by the University Board and the Academy.

"Contract" means the contract to charter a public school academy which the University Board and the Academy are entering into dated June 25, 2004.

"Fiscal Agent" means the University Board or an officer or employee of Grand Valley State University as designated by the University Board.

"Other Funds" means any other public or private funds which the Academy receives and for which the University Board may act as fiscal agent.

"State School Aid Payment" means any payment of money the Academy receives from the school aid fund established pursuant to Article IX, Section 11 of the Michigan Constitution or under the School Aid Act of 1979, as amended.

"State" means the State of Michigan.

"State Treasurer" means the office responsible for issuing funds to public school academies for State School Aid Payments pursuant to the School Aid Act of 1979, as amended.

ARTICLE II

FISCAL AGENT DUTIES

Section 2.01. Receipt of School Aid Funds. The University Board is the Fiscal Agent for the Academy. The Fiscal Agent will receive State School Aid Payments from the State, as provided in Section 3.02.

Section 2.02. Transfer to Academy. The Fiscal Agent shall transfer all State School Aid Payments and all Other Funds received on behalf of the Academy to the Academy within three (3) business days of receipt or as otherwise required by the provisions of the State School Aid Act of 1979 or applicable state board rules. The State School Aid Payments and all Other Funds shall be transferred into the Account designated by a resolution of the Board of Directors of the Academy and by a method of transfer acceptable to the Fiscal Agent.

Section 2.03. Limitation of Duties. The Fiscal Agent has no responsibilities or duties to verify the Academy's pupil count, as defined in the State School Aid Act of 1979, as amended, or to authorize, to approve or to determine the accuracy of the State School Aid Payments received on behalf of the Academy from the State Treasurer. The Fiscal Agent's duties under this Agreement are separated from the University Board's duties outlined in the Contract executed by the University Board and the Academy and dated as of June 25, 2004.

ARTICLE III

STATE DUTIES

Section 3.01. Eligibility for State School Aid Payments. The State, through its Department of Education, has sole responsibility for determining the eligibility of the Academy to receive State School Aid Payments. The State, through its Department of Education, has sole responsibility for determining the amount of State School Aid Payments, if any, the Academy shall be entitled to receive.

Section 3.02. Method of Payment. Each State School Aid Payment for the Academy will be made to the Fiscal Agent by the State Treasurer by issuing a warrant and delivering the warrant to the Fiscal Agent or by electronic funds transfer into an account specified by the Fiscal Agent. The State shall make State School Aid Payments at the times specified in the State School Aid Act of 1979, as amended.

ARTICLE IV

ACADEMY DUTIES

Section 4.01. Compliance with State School Aid Act. In order to assure that funds are available for the education of pupils, an Academy shall comply with all applicable provisions of the State School Aid of 1979, as amended.

Section 4.02. Expenditure of Funds. An Academy may expend funds from the State School Aid Fund for any purpose permitted by the State School Aid Act of 1979 and may enter into contracts and agreements determined by the Academy as consistent with the purposes of which the funds were appropriated.

Section 4.03. Mid-Year Transfers. Funding for students transferring into or out of the Academy during the school year shall be in accordance with the State School Aid Act of 1979.

Section 4.04. Repayment of Overpayment. The Academy shall be directly responsible for reimbursing the State for any overpayments of State School Aid Payments. At its option, the State may reduce subsequent State School Aid Payments by the amount of the overpayment or may seek collection of the overpayment from the Academy.

ARTICLE V

RECORDS AND REPORTS

Section 5.01. Records. The Fiscal Agent shall keep books of record and account of all transactions relating to the receipts, disbursements, allocations and application of the State School Aid Payments and Other Funds received, deposited or transferred for the benefit of the Academy, and these books shall be available for inspection at reasonable hours and under reasonable conditions by the Academy and the State.

Section 5.02. Reports. The Fiscal Agent shall prepare and send to the Academy within thirty (30) days of June 30, 2005, and annually thereafter, a written report dated as of June 30 summarizing all receipts, deposits and transfers made on behalf of or for the benefit of the Academy during the period beginning on the latter of the date hereof or the date of the last such written report and ending on the date of the report, including without limitation, State School Aid Payments received on behalf of the Academy from the State Treasurer and any Other Funds for which the University Board acted as Fiscal Agent under this Agreement.

ARTICLE VI

CONCERNING THE FISCAL AGENT

Section 6.01. Representations. The Fiscal Agent represents that it has all necessary power and authority to enter into this Agreement and undertake the obligations and responsibilities imposed upon it in this Agreement and that it will carry out all of its obligations under this Agreement.

Section 6.02. Limitation on Liability. The liability of the Fiscal Agent to transfer funds to the Academy shall be limited to the amount of State School Aid Payments as are from time to time delivered by the State and the amount of Other Funds as delivered by the source of those funds.

The Fiscal Agent shall not be liable for any omission or action taken by it in good faith in any exercise of reasonable care and believed by it to be within the discretion or power conferred upon it by this Agreement, nor shall the Fiscal Agent be responsible for the consequences of any error of judgment; and the Fiscal Agent shall not be answerable except for its own action, omission or default, nor for any loss unless the same shall have been through its gross negligence or willful default.

The Fiscal Agent shall not be liable for any deficiency in the State School Aid Payments received from the State Treasurer to which the Academy was properly entitled. The Fiscal Agent shall not be liable for any State School Aid overpayments made by the State Treasurer to the Academy for which the State subsequently seeks reimbursement.

ARTICLE VII

MISCELLANEOUS

Section 7.01. Notice. Any notice, authorization, request, or demand required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given when mailed by regular first class mail and addressed as follows:

To The Academy: Academy Board President

Detroit Enterprise Academy 11142 Kercheval Street Detroit, MI 48214

To the Fiscal Agent: Charter Schools Office Director

Grand Valley State University Board of Trustees

1 Campus Drive

Allendale, Michigan 49401

To the State: State Treasurer

Treasury Building 430 W. Allegan

Lansing, Michigan 48922

A United States Post Office registered or certified mail receipt or overnight courier receipt showing delivery of such documents shall be conclusive evidence of the date and the fact of delivery. Any party to this Agreement may change the address to which notices are to be delivered by giving to the other parties not less than then (10) days prior notice of the change.

Section 7.02. Termination of Responsibilities. Upon the taking of all the actions as described in this Agreement by the Fiscal Agent or upon the expiration, termination, suspension or revocation of the Academy's Contract with the University Board, the Fiscal Agent shall have no further obligations or responsibilities under this Agreement to the Academy or any other person or persons in connection with this Agreement and this Agreement shall be discharged.

Section 7.03. Binding Agreement. This Agreement shall be binding upon the Fiscal Agent, the State, and the Academy and their respective successors and legal representatives and shall inure solely to the benefit of the Academy, the Fiscal Agent and the State and their respective successors and legal representatives.

Section 7.04. Severability. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, the invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, but this Agreement shall be construed as if such invalid or illegal or unenforceable provisions had never been contained in this Agreement.

Section 7.05. Michigan Law Governs. This Agreement shall be governed exclusively by the provisions of this Agreement and by the applicable laws of the State of Michigan.

Section 7.06. Amendment. This Agreement is made for the benefit of this Fiscal Agent, the Academy and the State and it may be altered or amended in writing only if the University and the Academy have followed the procedures set forth in Section 9.1 of Article IX of the Contract and only upon approval of the Academy, the University Board and the State. However, if the Code is amended after the effective date of this Agreement in a manner which alters the responsibilities or duties of the Fiscal Agent under the Code, the responsibilities and duties of the Fiscal Agent shall be so altered automatically as of the effective date of such amendment to the Code.

Section 7.07. Term of Agreement. The term of this Agreement shall coincide with the term of the Contract.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective and duly authorized officers as of the day and year indicated herein.

ACADEMY:	AUTHORIZING BODY:
DETROIT ENTERPRISE ACADEMY	GRAND VALLEY STATE UNIVERSITY BOARD OF TRUSTEES
Ву:	By Dorothy A Johnson
Title: Academy Board President	Title: Chair
Date:	Date: 6/25/04

Section 7.02. Termination of Responsibilities. Upon the taking of all the actions as described in this Agreement by the Fiscal Agent or upon the expiration, termination, suspension or revocation of the Academy's Contract with the University Board, the Fiscal Agent shall have no further obligations or responsibilities under this Agreement to the Academy or any other person or persons in connection with this Agreement and this Agreement shall be discharged.

Section 7.03. Binding Agreement. This Agreement shall be binding upon the Fiscal Agent, the State, and the Academy and their respective successors and legal representatives and shall inure solely to the benefit of the Academy, the Fiscal Agent and the State and their respective successors and legal representatives.

Section 7.04. Severability. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, the invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, but this Agreement shall be construed as if such invalid or illegal or unenforceable provisions had never been contained in this Agreement.

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Section 7.06. Amendment. This Agreement is made for the benefit of this Fiscal Agent, the Academy and the State and it may be altered or amended in writing only if the University and the Academy have followed the procedures set forth in Section 9.1 of Article IX of the Contract and only upon approval of the Academy, the University Board and the State. However, if the Code is amended after the effective date of this Agreement in a manner which alters the responsibilities or duties of the Fiscal Agent under the Code, the responsibilities and duties of the Fiscal Agent shall be so altered automatically as of the effective date of such amendment to the Code.

Section 7.07. Term of Agreement. The term of this Agreement shall coincide with the term of the Contract.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective and duly authorized officers as of the day and year indicated herein.

ATTITIODIZDIC DODY.

	AUTHORIZING BODT.
DETROIT ENTERPRISE ACADEMY	GRAND VALLEY STATE UNIVERSITY BOARD OF TRUSTEES
By: Carolin del	By: Dorothy A. Johnson
Title: Academy Board President Date: 23,200 4	Title: Chair
Date:) me 23,2009	Date:

ACADEMY.

SCHEDULE 5

MASTER CALENDAR OF REPORTING REQUIREMENTS

Public School Academy / School of Excellence Master Calendar of Reporting Requirements July 1, 2012 – June 30, 2013

DUE DATE	REPORT DESCRIPTION	SUBMIT TO:
July 2	Board Adopted 2012-2013 School Calendar/School Day Schedule.	CSO
July 2	Board Adopted Annual Operating Budget for the General Fund and School Service Fund for 2012-2013.	CSO
July 2	Copy of Notice of Public Hearing for Annual Operating Budget for 2012-2013.	CSO
July 2	Copy of Parent Satisfaction Survey and Results from 2011-2012, if applicable.	CSO
July 5	Anti-Bullying Policy, in accordance with Matt's Safe School Law	CSO
July 25	DS-4168 Report of Days and Clock Hours of Pupil Instruction for 2011-2012 academic year, if applicable (See MDE website, www.michigan.gov/mde , for MDE due date and form).	CSO
August 1	Annual Organizational Meeting Minutes for 2012-2013.	CSO
August 1	Board Resolution appointing Chief Administrative Officer for 2012-2013.	CSO
August 1	Board Resolution appointing Freedom of Information Act Coordinator for 2012-2013.	CSO
August 1	Board Designated Legal Counsel for 2012-2013.	CSO
August 1	Board adopted Annual Calendar of Regularly Scheduled Meetings for 2012-2013.	CSO
August 31	4 th Quarter Financial Statements – quarter ending 06/30.	CSO
September 4	Organizational Chart for 2012-2013.	CSO
September 4	Board approved Student Handbook 2012-2013.	CSO
September 4	Board approved Employee Handbook 2012-2013.	CSO
September 4	Copy of School Improvement Plan covering 2012-2013 academic year.	CSO
October 1	Completed PSA and ESP/MC Insurance Questionnaires. Required forms available at www.gvsucso.org.	CSO
October 1	Annual Nonprofit Corporation Information Update for 2012.	CSO
October 12	Audited Financial Statements for fiscal year ending June 30, 2012. (See MDE Website, www.michigan.gov/mde, for MDE due date.	CSO
October 12	Management Letter (comments and recommendations from independent financial auditor) for fiscal year ending June 30, 2012, if issued. If a management letter is not issued, a letter from the Academy stating a management letter was not issued is required to be submitted.	CSO
October 12	Annual A-133 Single Audit for year ending June 30, 2012 is required if over \$500K in federal funds have been expended. If a single audit is not necessary, a letter from the Academy stating as such is required to be submitted.	CSO

DUE DATE	REPORT DESCRIPTION	SUBMIT TO:
October 12	DS-4898 PSA Preliminary Pupil Membership Count for September 2012 Enrollment and Attendance for 1 st & 2 nd Year PSAs only. (See MDE website, www.michigan.gov/mde for MDE due date).	CSO CSO
October 12	Annual Education Report for the 2011-2012 academic year to be submitted and presented at a public meeting.	CSO
October 29	1 st Quarter Financial Statements – quarter ending 09/30.	CSO
December 3	Academy's Technology Plan covering 2012-2013 or annual updates thereto.	CSO
January 7	Modifications to ISD's Plan for the Delivery of Special Education Services covering 2012-13 signed by a representative of the Academy.	CSO
January 31	2 nd Quarter Financial Statements – quarter ending 12/31.	CSO
January 31	Michigan Highly Qualified Teacher Verification Report. Required Form Available at www.gvsucso.org .	CSO
April 19	DS-4168-B District Report of Planned Number of Days and Clock Hours of Pupil Instruction for 2012-2013 (See MDE website www.michigan.gov/mde for MDE due date).	CSO
April 26	3 rd Quarter Financial Statements – quarter ending 03/31.	CSO
May 14	Notice of Open Enrollment & Lottery Process or Open Enrollment & Lottery Process Board Policy for 2013-2014.	CSO
June 3	Certificate of Boiler Inspection covering years 2012-2013	CSO
June 28	Board Approved Amended Budget for 2012-2013 fiscal year (or statement that budget has been reviewed and no amendment was needed).	CSO
June 28	2012-2013 Log of emergency drills, including date, time and results. Sample form available at www.gvsucso.org.	CSO
June 28	Board adopted Letter of Engagement for year ending June 30, 2013 independent financial audit.	CSO
June 28	Food service license expiring 04/30/2014.	CSO

Ongoing Reporting Requirements July 1, 2012 – June 30, 2032

The following documents do not have a set calendar date; however, they require submission within a certain number of days from board action or other occurrence.

DUE DATE	REPORT DESCRIPTION	SUBMIT TO:
Date notice is posted	Academy Board Meeting Record of Postings – cancellations, changes, special meetings, emergency etc. Must include time and date of actual posting.	CSO
14 business days after Board meeting	Draft Academy Board Meeting Minutes and Resolutions of regular, special & emergency board meetings.	CSO
14 business days after Board approval	Approved Academy Board Meeting Minutes and Resolutions of regular, special & emergency board meetings.	CSO
30 business days after board approval	Board Adopted Annual Operating Budget for 2011-2012 including Salary/Compensation Transparency Reporting to be available on school website per the State School Aid Act as amended	No submission needed.
14 business days after Board approval	Oath of Office and written acceptance for each Board Member.	CSO
10 business days after Board approval	Board adopted <i>Amended</i> Budget and General Appropriations Resolution.	CSO
10 days of receipt	Correspondence received from the Michigan Department /State Board of Education requiring a formal response.	CSO
10 days of receipt	Correspondence received from the Health Department requiring a formal response.	CSO
10 days of receipt	Written notice of litigation or formal proceedings involving the Academy.	CSO
30 days prior to board execution	Board proposed draft Educational Management Company Agreements or Amendments thereto.	CSO
5 business days of receipt	Request and Responses to Freedom of Information Requests.	CSO

Original/Subsequent Board Policy Reporting Requirements July 1, 2012 – June 30, 2013

The following documents do not have a set calendar date; however, they require an original submission and subsequent submission if Board action is taken making amendments/changes.

REPORT DESCRIPTION	SUBMIT TO:
Articles of Incorporation. Must have GVSU Board approval before modifying.	CSO
Board of Director Bylaws.	CSO
Educational Service Provider Agreements/Amendments	CSO
Academy's Educational Goals.	CSO
Office of Fire Safety (OFS-40) – original occupancy permit and permits for renovations/additions, etc.	CSO
Lease, Deed of Premises or Rental Agreement and subsequent amendments (includes modular units).	CSO
Curriculum including any additions/deletions.	CSO
Asbestos Hazardous Emergency Response Act (AHERA) Management Plan. Visit www.michigan.gov/asbestos for Michigan's model management plan. A copy of the "acceptance" letter sent by MIOSHA is also required.	CSO
Communicable Disease Curriculum (including minutes of board approval).	CSO
Job Descriptions for all employee groups	CSO
REQUIRED BOARD POLICIES	
Board adopted Purchasing Policy (date of approval). Reference: MCL 380.1267, MCL 380.1274	CSO
Use of Medications Policy (date of approval).	CSO
Reference: MCL 380.1178, 380.1178a, 380.1179	
Harassment of Staff or Applicant Policy (date of approval).	CSO
Harassment of Students Policy (date of approval)	
Reference: MCL 380.1300a	
Search and Seizure Policy (date of approval). Reference: MCL 380.1306	CSO
Emergency Removal, Suspension and Expulsion of Students Policy (date of approval). Reference: MCL 380.1309; MCL 380.1312(8)&(9); MCL 37.1402	CSO
Parent/Guardian Review of Instructional Materials & Observation of Instructional Activity Policy Reference: MCL 380.1137	CSO
Board Member Reimbursement of Expenses Policy (date of approval). Reference: MCL 380.1254; MCL 388.1764b	CSO
Equal Access for Non-School Sponsored Student Clubs and Activities Policy (date of approval). Reference: MCL 380.1299	CSO
Electronic or Wireless Communication Devices Policy (date of approval).	CSO
Preparedness for Toxic Hazard and Asbestos Hazard Policy (date of approval).	CSO
Reference: MCL 324.8316, 380.1256	120

Nondiscrimination and Access to Equal Educational Opportunity Policy (date of	CSO
approval)	
Including, but not limited to, Michigan Constitution, Article I, §26, Elliott-Larsen Civil	
Rights Act, Title VI of the Civil Rights Act of 1964, Title IX of the Education Amendments	
of 1972, Section 504 of the Rehabilitation Act of 1973, and the Age Discrimination Act of	
1975.	
Academy Deposit Policy (date of approval).	CSO
PA 105 of 1855, being MCL 21.146, Section 11.10 of the Charter Contract	
Parental Involvement Policy (date of approval).	CSO
Reference: MCL 380.1294	
Wellness Policy (date of approval).	CSO
Reference: 42 USC §§ 1751, 1758, 1766; 42 USC § 1773	

Calendar of Additional Reporting Requirements and Critical Dates July 1, 2012 – June 30, 2013

The following reports Academies must submit to the local ISD, MDE, CEPI and other organizations throughout the year.

DUE DATE	REPORT DESCRIPTION	SUBMIT TO:
September 28	Student Count Day for State Aid F.T.E.	No submission
-		required.
September 30	SE-4096 Special Education Actual Cost Report (Contact ISD for due	ISD
	date).	
October 3	Eye Protection Certificate (#4527 Certification of Eye Protective	CEPI
	Devices Electronic Grant System [MEGS] if applicable.	
October 3	Certification of Constitutionally Protected Prayer	MDE
October 7	SE-4094 Transportation Expenditure Report (Contact ISD for due date).	ISD
October 1 –	Teacher Certification/Criminal Background Check/Unprofessional	No submission
October 31	Conduct. This is an onsite review scheduled and conducted by Quality	needed.
(as scheduled)	Performance Resource Group. No submission required.	
Oct/Nov	School Infrastructure Database (SID); School-Wide Title I Participation	CEPI
Oct/Nov	Deadline for MEIS/Single Record Student Database ("SRSD")	CEPI
	electronic file (Contact the local ISD for due date.)	
November 1	Deadline for Immunization Records Report – IP100. (Contact Health	Local Health
	Dept. for due date).	Dept.
November 14	Deadline for electronic submission to the Financial Information	CEPI
	Database (FID, formerly known as the Form B). State aid will be	
	withheld if the submission is not successful.	
Nov/Dec	Special Education Count on MI-CIS. Special education data must be	ISD
	current and updated in the Michigan Compliance and Information	
	System (MI-CIS). This information is used to determine funding for	
	next year (Contact local ISD for due date).	
December 1 -	Teacher Certification/Criminal Background Check/Unprofessional	No submission
December 31	Conduct. This is an onsite review scheduled and conducted by Quality	required.
(as scheduled)	Performance Resource Group. No submission required.	
Nov/Dec	Registry of Educational Personnel (REP) Submission	CEPI
December 30	Municipal Finance Qualifying Statement, if applicable (online	MI Dept of
	submission).	Treasury
Feb 1	Deadline for Immunization Record Report – IP100 (Contact Health	Local Health
	Dept. for due date). A financial penalty of 5% of a school's state aid	Dept.
	allocation can be assessed if the immunization rate is not at 90% or	
	above.	
Feb 6	Supplemental Student Count for State Aid F.T.E.	No submission
		required.
March	FS-4731-C – Count of Membership Pupils eligible for free/reduced	MDE
	breakfast, lunch or milk (official date TBD).	

DUE DATE	REPORT DESCRIPTION	SUBMIT TO:
March	MEIS/Single Record Student Database ("SRSD") electronic file	ISD, CEPI
	(Contact local ISD for due date.)	
May 1 –	Teacher Certification/ Criminal Background Check/Unprofessional	No submission
May 31	Conduct. This is an onsite review scheduled and conducted by Quality	required.
(as scheduled)	Performance Resource Group. No submission required.	_
June	MEIS/ Single Record Student Database ("SRSD") electronic file	ISD, CEPI
	(Contact local ISD for due date.)	
June	Registry of Educational Personnel (REP)	CEPI
June	School Infrastructure Database (SID)	CEPI

SCHEDULE 6

INFORMATION TO BE PROVIDED BY ACADEMY AND EDUCATIONAL MANAGEMENT COMPANY

SCHEDULE 6

INFORMATION TO BE PROVIDED BY ACADEMY AND EDUCATIONAL MANAGEMENT COMPANY

- A. The following described categories of information are specifically included within those to be made available to the public and the University Charter Schools Office by the Academy in accordance with Section 11.17(a) of the Terms and Conditions:
- 1. Contract;
- 2. Copies of the executed Constitutional Oath of public office form for each serving Director;
- 3. List of currently serving Directors with name, address, and term of office;
- 4. Academy Board meeting calendar;
- 5. Copy of public notice for all Academy Board meetings;
- 6. Academy Board meeting agendas;
- 7. Academy Board meeting minutes;
- 8. Academy Board approved budget and amendments to budget;
- 9. List of bills paid for amounts of \$10,000.00 or more as submitted to the Academy Board;
- 10. Quarterly financial reports submitted to the University Charter Schools Office;
- 11. Curriculum documents and other educational materials submitted to the University Charter Schools Office;
- 12. Copy of school improvement plan (if required);
- 13. Copies of facility leases or deeds, mortgages, modular leases and/or deeds;
- 14. Equipment leases;
- 15. Proof of ownership for Academy owned vehicles and portable buildings;
- 16. Academy Board approved management contract with Educational Service Provider;
- 17. Academy Board approved service contract(s);
- 18. Office of Fire Safety certificate of occupancy for all Academy facilities;
- 19. MDE letter of continuous use (if required);
- 20. Local County Health Department food service permit (if required);

- 21. Asbestos inspection report and asbestos management plan (if required);
- 22. Boiler inspection certificate and lead based paint survey (if required);
- 23. Phase 1 environmental report (if required);
- 24. List of current Academy staff with their individual compensation as submitted to the Registry of Educational Personnel;
- 25. Copies of administrator and teacher certificates or permits for all current administrative and teaching staff;
- 26. Evidence of fingerprinting, criminal background and record checks and unprofessional conduct check required by the Code for all Academy teachers and administrators;
- 27. Academy Board approved policies;
- 28. Copy of the annual financial audit and any management letters issued to the Academy Board as part of the audit;
- 29. Proof of insurance as required by the Contract;
- 30. Any other information specifically required under Public Act 277 of 2011.
- B. The following information is specifically included within the types of information available to the Academy by the ESP (if any) in accordance with section 11.17(b) of the Terms and Conditions:
- 1. Any information needed by the Academy in order to comply with its obligations to disclose the information listed under (a) above.

SERVICES AGREEMENT

THIS SERVICES AGREEMENT ("Agreement") by and between National Heritage Academies, Inc., a Michigan corporation ("NHA"), and Detroit Enterprise Academy, a body corporate and public school academy (the "School") is effective the 1st day of July, 2012 (the "Effective Date"). For purposes of this Agreement, NHA and the School shall be referred to collectively as the "Parties."

RECITALS

WHEREAS, the School was issued a Charter Contract by Grand Valley State University (the "Authorizer") to operate a public school academy pursuant to the Michigan Revised School Code (the "Authorizing Law"); and

WHEREAS, the Parties desire to work together to promote educational excellence and innovation based on NHA's school design, comprehensive educational program and management principles; and

WHEREAS, the Parties desire to set forth the terms and conditions of such a relationship in this Agreement;

NOW, THEREFORE, for good and valuable consideration, including the mutual promises and benefits contained in this Agreement, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE I

CONTRACTING RELATIONSHIP

- A. <u>Services</u>. Subject to the terms and conditions of this Agreement, and as permitted by applicable law, the School hereby contracts with NHA for the provision of certain educational, business administration, facility, and management services, including without limitation, all labor, equipment, and materials necessary for the provision of the same, as set forth herein (collectively, the "**Services**").
- B. <u>Charter</u>. This Agreement shall: (i) be subject to and comply with the terms and conditions of the Charter Contract and the School's Charter Application (collectively, the "**Charter**"); and (ii) not be construed to interfere with the constitutional, statutory, or fiduciary duties of the School's Board of Directors (the "**Board**"). NHA agrees to perform its duties and responsibilities under this Agreement in a manner that is consistent with the School's obligations under the Charter issued by the Authorizer. The provisions of the School's Charter shall supersede any competing or conflicting provisions contained in this Agreement.
- C. <u>Independent Contractor</u>. NHA shall provide the Services as an independent contractor, and not as an employee, partner, agent, or associate of the School. This independent contractor relationship shall extend to the officers, directors, employees, and representatives of

NHA. Consistent with the status of an independent contractor, NHA reserves to itself the right to designate the means and methods of accomplishing the objectives and purposes of this Agreement consistent with Board policy, applicable law and the Charter. NHA shall be solely responsible for its acts and the acts of its agents, employees and subcontractors. The relationship between the Parties is based solely on the terms and conditions of this Agreement, and the terms and conditions of any other written agreement between the Parties.

D. Designations and Appointments.

- 1. The Board shall by Board resolution appoint the Board Treasurer, or such other officer as determined by the Board, to serve as the chief administrative officer of the School (the "CAO") under the Uniform Budgeting and Accounting Act, MCL 141.421 *et seq*. (the "Budgeting and Accounting Act") Notwithstanding any other provision of the Agreement to the contrary, the Board resolution shall designate NHA's chief financial officer, or such other NHA officer or employee as is mutually agreed upon by NHA and the School, as the designated agent of the CAO to assist the CAO with the performance of the CAO's duties under the Budgeting and Accounting Act.
- 2. NHA, including its directors, officers, and employees are hereby designated as "School Officials" for purposes of the Family Educational Right and Privacy Act, and its implementing regulations, 20 U.S.C. §1232g *et seq.* (FERPA); 34 CFR § 99.31(a)(1)(i)(B). Additionally:
- (a) NHA agrees that it shall observe Board policies and applicable law regarding the confidentiality of Covered Data and Information. Covered Data and Information ("CDI") includes paper and electronic student education record information and includes, without limitation, "education records" as defined under FERPA, 34 CFR § 99.1. CDI also includes any new records created and maintained by NHA under this Agreement using CDI.
- (b) NHA shall not use or disclose CDI received from or on behalf of the School except as permitted or required by this Agreement and/or applicable law.
- (c) Upon termination or other conclusion of this Agreement, NHA shall return all CDI to the School.
- (d) NHA shall develop, implement, maintain and use appropriate administrative, technical and physical security measures to preserve the confidentiality, integrity and availability of all CDI received from, or on behalf of, the School or its students. These measures will be extended by contract to include subcontractors used by the NHA.
- (e) NHA, within two business days of discovery, shall report to the Board any use or disclosure of CDI not authorized by this Agreement. NHA's report shall identify: (i) the nature of the unauthorized use or disclosure, (ii) the CDI used or disclosed, (iii) who made the unauthorized use or received the unauthorized disclosure, (iv) what NHA has done or shall do to mitigate any deleterious effect of the unauthorized use or disclosure, and (v) what corrective action NHA has taken or shall take to prevent future similar unauthorized use or

disclosure. NHA shall provide such other information, including a written report, as reasonably requested by the Board.

3. NHA, its directors, officers, and employees may be designated by the School for other purposes by a written resolution of the Board.

ARTICLE II

TERM & TERMINATION

A. <u>Term.</u> This Agreement shall commence on the Effective Date, and unless terminated as set forth herein, shall continue until the revocation, termination or expiration of the Charter currently in effect, inclusive of any Charter reauthorization or renewal periods thereof (the "**Term**"). The parties acknowledge that the Authorizer, as part of any reauthorization or renewal, may require that the School and NHA submit an amended or restated Agreement for review by the Authorizer. The first school year of this Agreement shall commence July 1, 2012 to June 30, 2013, and each school year thereafter shall commence on July 1 and end on June 30 of the following year.

B. Termination.

- 1. <u>By NHA</u>. NHA may terminate this Agreement prior to the end of the Term if the Board fails to remedy a material breach of this Agreement within thirty (30) days after receiving a notice from NHA of such breach. For purposes of this Subsection, a material breach (which for the sake of clarity is a default hereunder) includes, but is not limited to: (i) NHA's failure to timely receive any compensation or reimbursement required by this Agreement; or (ii) a suspension, termination, revocation, or non-renewal of the Charter.
- 2. By the School. The School may terminate this Agreement prior to the end of the Term if NHA fails to remedy a material breach of this Agreement within (30) days after receiving notice from the School of such breach. For purposes of this Subsection, a material breach includes, but is not limited to: (i) NHA's failure to account for expenditures or pay operating costs pursuant to the Budget (as defined below); (ii) NHA's failure to follow policies, procedures, rules, regulations or curriculum adopted by the Board, provided they do not violate the Charter, applicable law, or this Agreement; (iii) a receipt by the Board of an unsatisfactory report from NHA or an independent education consultant retained by the Board regarding the Services or the School's performance, provided the unsatisfactory performance cannot be adequately corrected or explained; (iv) a determination that this Agreement or its implementation would serve as grounds for suspension, termination, revocation, or non-renewal of the Charter; (v) a determination that this Agreement or its implementation would jeopardize material tax exemptions of the School or its non-profit status; or (vi) any action or inaction by NHA that places the Charter in jeopardy of termination, suspension or revocation.

- 3. <u>By Either Party</u>. Either party may terminate this Agreement prior to the end of the Term, with or without cause, by providing the other party with at least ninety (90) days' prior written notice.
- 4. <u>Revocation or Termination of Charter</u>. If the School's Charter issued by the Authorizer is revoked or terminated, this Agreement shall automatically terminate on the same date as the School's Charter is revoked or terminated without further action of the parties.
- 5. If this Agreement is terminated prior to the end of the Term other than as provided for in Article II(B)(4) of this Agreement, and unless otherwise agreed by the Parties, such termination will not become effective until the end of the then-current school year.
- C. <u>Effect of Termination</u>. Upon the effective date of termination or expiration of this Agreement:
- 1. Subject to any provisions contained in a lease between the Parties, the Parties shall have the right to remove from the School any equipment or other assets owned or leased by the respective Party;
- 2. The School shall pay or reimburse NHA through the Fee (as defined below) for the prepaid portion of any expenses or liabilities incurred by NHA pursuant to the Budget as of the date of such termination or expiration, provided NHA supplies the School with documentation of all such expenses and liabilities;
- 3. NHA may agree, in its sole discretion, to assist the School for a reasonable amount of time, not to exceed ninety (90) days, and for a reasonable fee, with the School's transition to another administrative, managerial, or services arrangement;
- 4. NHA shall, if applicable, reasonably assist the School in the execution of a closure and dissolution plan and cooperate in the closure and dissolution process, including without limitation, in any audits and court or other proceedings related thereto; and
- 5. The party to whom Confidential Information (as defined below) has been disclosed shall, upon request and at the direction of the disclosing party: (i) return such Confidential Information within thirty (30) days, including any copies thereof, and cease its use; or (ii) destroy such Confidential Information and certify such destruction to the disclosing party, except for a single copy thereof which may be retained for the sole purpose of determining the scope of any obligations incurred under this Agreement, and except where disclosure or retention is required by applicable law.

ARTICLE III

OBLIGATIONS OF NHA

A. <u>Manager at Risk</u>. NHA shall be responsible and accountable to the Board for providing the Services. During the Term, NHA shall provide the Services regardless of whether

actual revenue meets the level projected in the Budget, and NHA hereby assumes the risk of funding shortfalls during the Term. Notwithstanding the foregoing, NHA shall not be required to expend funds on Services in excess of the amount set forth in the Budget.

- B. <u>Comprehensive Educational Program</u>. The School has determined to adopt NHA's proprietary educational and academic programs and goals, as set forth in the Charter (the "**Educational Program**"). Subject to the oversight of the Board, NHA shall implement and administer the Educational Program. In the event that NHA reasonably determines that it is necessary or advisable to make material changes to the Educational Program, NHA shall inform the Board of the proposed changes and obtain the Board's approval before making such changes, as well as the Authorizer's approval if required by the Charter or applicable law. The Parties acknowledge and agree that an essential principle of the Educational Program is its flexibility, adaptability and capacity to change in the interest of continuous improvement and efficiency. Not less than annually or as reasonably requested by the Board, NHA shall provide the Board with a report detailing progress made on each of the educational goals set forth in the Educational Program. The school year calendar and the school day schedule shall be approved by the Board as required under the Charter.
- C. <u>All Children Welcome</u>. NHA places a high value on diversity, and the School shall welcome students of all races, ethnicity, religion, gender and economic backgrounds.
- D. <u>Services to Students with Disabilities</u>. NHA welcomes students with disabilities at the School. NHA shall provide special education and related services, in conformity with the requirements of applicable law, to students who attend the School.
- E. <u>Educational and Administrative Services</u>. Subject to the oversight of the Board, NHA shall implement operational practices and procedures that are consistent with Board policy, the Charter and applicable law. Such practices and procedures shall include, but are not limited to:
 - 1. Student recruitment and student admissions.
 - 2. Student assessments, including testing, promotion, and retention.
- 3. The acquisition of instructional materials, equipment and supplies, and the administration of any and all extra-curricular and co-curricular activities and programs approved by the Board and NHA.
- 4. Employment of personnel working at the School and management of all personnel functions, as set forth herein.
 - 5. All aspects of the School's business administration.
- 6. All aspects of the School's accounting operation, including general ledger management, financial reporting, payroll, employee benefits and payroll tax compliance.
 - 7. Food service and transportation approved by the Board and NHA.

- 8. All aspects of facilities administration and maintenance.
- 9. Student behavior management and discipline.
- F. <u>Location of Services</u>. Other than instruction, and unless prohibited by the Charter or applicable law, NHA may provide the Services, including but not limited to, purchasing, professional development and administrative services, off-site.
- G. <u>Subcontracts</u>. NHA reserves the right to subcontract any and all aspects of the Services. NHA shall not subcontract the oversight of the Educational Program, except as specifically permitted in this Agreement or with prior written approval of the Board. Notwithstanding the foregoing, the Board specifically acknowledges and agrees that from time to time NHA may use third parties or independent contractors to assist in the creation and development of Educational Materials (as defined below) that may be used as a part of the Educational Program.
- H. <u>Pupil Performance Standards and Evaluation</u>. NHA shall implement pupil performance evaluations that permit evaluation of the academic progress of each School student. NHA shall be responsible and accountable to the Board for the academic performance of students who are enrolled at the School. NHA shall utilize assessment strategies required by the Charter and applicable law. The Board and NHA shall cooperate in good faith to identify academic goals and methods to assess such academic performance. NHA shall provide the Board with timely reports regarding student performance.
- I. <u>Unusual Events</u>. NHA shall timely notify the Board and the Administrator (as defined below) of any anticipated or known material: (i) health or safety issues, including all mandatory reporting required by applicable law; (ii) labor, employee or funding issues; or (iii) other issues that may reasonably and adversely impact the School's ability to comply with the Charter, applicable law or this Agreement.
- J. <u>School Records</u>. The financial and education records pertaining to the School (collectively, the "School Records"), are property of the School. Except as may be prohibited or limited by the Charter or applicable law, the School Records shall be available to the Board and the Authorizer for their review, and are subject to inspection and copying to the same extent that records of public schools are subject to inspection and copying pursuant to applicable law. All School Records shall be physically or electronically available at the School's physical facility upon request made by the Board or the Authorizer. NHA shall provide the Board on a timely basis all information that is required to be disclosed under section 22f of the State School Aid Act of 1979, MCL 388.1622f.

On an annual basis, NHA agrees to provide the Board the same information that a school district is required to disclose under section 18(2) of the State School Aid Act of 1979, MCL 388.1618, for the most recent school fiscal year for which the information is available. Within thirty (30) days of receipt of this information, the Board shall make the information available on the School's website homepage, in a form and manner prescribed by the Michigan Department of Education. The defined terms in section 503c and 553c of the Code, MCL 380.503c and MCL 380.553c, whichever is applicable, shall have the same meaning in this Agreement.

NHA shall make information concerning the operation and management of the School, including without limitation the information described in Schedule 6 of the Charter, available to the School as deemed necessary by the Board in order to enable the School to fully satisfy its obligations under Section 11.17(a) of the Charter.

- K. <u>Facility</u>. NHA shall use reasonable efforts to secure a facility to be leased or otherwise provided to the School on terms mutually agreeable to NHA and the Board. Obligations of the Board created under the terms of such lease are to be fulfilled by NHA unless otherwise agreed to in writing by NHA and the Board. The facility shall comply with the requirements of the Charter and applicable law. NHA shall also use reasonable efforts to cause the facility to be furnished with equipment and technology as is reasonably necessary to implement the Educational Program.
- L. <u>Legal Compliance</u>. NHA will implement and enforce rules, regulations and procedures applicable to the School that are consistent with adopted Board policy, if any, and the Educational Program in accordance with the Charter and applicable law, including without limitation, rules, regulations, and policies regarding non-discrimination, discipline, special education, confidentiality and access to records.
- M. <u>Rules and Procedures</u>. NHA will recommend to the Board reasonable rules, regulations, policies and/or procedures applicable to the School. The Board hereby authorizes and directs NHA to enforce such rules, regulations and procedures consistent with Board policy, and make such rules, regulations and procedures available to the Board upon request.
- N. <u>Assistance to the Board</u>. NHA shall cooperate with the Board and, to the extent consistent with the Charter and applicable law, timely furnish the Board with all documents and information necessary for the Board to properly perform its responsibilities under this Agreement.

ARTICLE IV

OBLIGATIONS OF THE BOARD

- A. <u>Board Policies</u>. The Board shall be responsible for the fiscal and academic policies of the School. The Board shall exercise good faith in considering the recommendations of NHA, including but not limited to, NHA's recommendations regarding policies, rules, regulations and the Budget (as defined below).
- B. <u>Academy Budget</u>. The Board is responsible for establishing, approving and amending the Budget in accordance with the Budgeting and Accounting Act.
- C. <u>Governance Oversight</u>. The Board shall provide governance level oversight of the School in accordance with the Charter and applicable law. The Board shall cooperate with NHA and, to the extent consistent with applicable law, timely furnish NHA all documents and information necessary for NHA to properly perform its responsibilities under this Agreement.

- D. <u>Unusual Events</u>. The Board shall timely notify NHA of any anticipated or known material: (i) health or safety issues; (ii) labor, employee or funding issues; or (iii) other issues that may reasonably and adversely impact NHA's ability to comply with the Charter, applicable law, or this Agreement.
- E. <u>Office Space</u>. The Board shall provide NHA with suitable office space at the School, provided the requested space is: (i) available and can be provided without materially prejudicing the Educational Program; and (ii) used only for activities related to the School. The space shall be provided at no cost to NHA.
- F. <u>Retained Authority</u>. The Board shall retain the authority to adopt reasonable policies in accordance with applicable law relative to anything necessary for the proper establishment, maintenance, management, and operation of the School.

ARTICLE V

INTELLECTUAL PROPERTY

A. Definitions.

- 1. "Educational Materials" means all curriculum, print and electronic textbooks, instructional materials, lesson plans, teacher guides, workbooks, tests, and other curriculum-related materials licensed, developed or otherwise owned by the School or NHA.
- "Confidential Information" means any confidential and non-public trade, technical or business knowledge, information and materials regarding the School or NHA (or their respective affiliates), which is given by one party to the other, or any of their respective representatives, in any form, whether printed, written, oral, visual, electronic or in any other media or manner. Confidential Information includes, but is not limited to, research, operations and procedures, financial projections, pricing, sales, expansion plans and strategies, services data, trade secrets and other intellectual property, or the results of any mediation or private adjudication, as well as information with respect to each party's or its affiliates' plans for market expansion, except for information which a party can show by contemporaneous written records was developed or formulated independently of work or services performed for, or in connection with performance of, this Agreement. Notwithstanding the foregoing, the disclosure of the other party's Confidential Information as required to be disclosed by law, rule or regulation or by reason of subpoena, court order or government action shall not constitute a breach of this Agreement; however, in such event the party required to disclose such information will reasonably cooperate with the party whose information is required to be disclosed in order to obtain a protective order applicable to such disclosure. All Confidential Information will remain the sole property of the party disclosing such information or data.
- B. <u>School Materials</u>. The School shall own all right, title and interest in and to Educational Materials that are: (i) licensed or owned by the School as of the Effective Date; or (ii) licensed, developed, characterized, conceived, derived, generated, identified, or otherwise made by the School during the Term, provided such materials do not reference the NHA

Materials (as defined below), or incorporate any Confidential Information of NHA (collectively, the "School Materials"). The School Materials shall include all intellectual property rights associated therewith.

- C. <u>NHA Materials</u>. NHA shall own all right, title and interest in and to Educational Materials that are: (i) licensed or owned by NHA as of the Effective Date; (ii) licensed, developed, characterized, conceived, derived, generated, identified, or otherwise made by NHA during the Term, provided such materials do not reference School Materials or incorporate any Confidential Information of the School; and (iii) any and all Educational Materials and non-curriculum materials provided to the School by NHA relating to the Educational Program, including all changes and derivatives thereof (collectively, the "**NHA Materials**").
- D. <u>Derivative Works</u>. The Parties acknowledge that to the extent any Educational Materials created by the School are derivative of the NHA Materials, use of such derivative materials during the Term is subject to the license granted herein, and the license to use such derivative materials shall cease as of the date of expiration or termination of this Agreement.
- E. <u>No Transfer or Sale</u>. The School acknowledges and agrees that NHA is not transferring or selling, and the School is not receiving, purchasing or acquiring, any intellectual property or proprietary rights in or to the NHA Materials.
- F. <u>Licenses</u>. NHA hereby grants the School a non-exclusive, non-transferable license (without the right to sublicense) to use the NHA Materials, and any Educational Materials created by the School which are derivative of the NHA Materials, solely in furtherance of the Educational Program during the Term, including without limitation, the right to reproduce, publicly display, distribute and create derivative works of the same, in hard copy format or electronically, within the United States. The School represents and warrants that during the Term, and following the expiration or termination of this Agreement, the School will not exploit or assist any third party to exploit any of the NHA Materials for commercial purposes. Subject to applicable law, the School grants NHA a non-exclusive, non-transferable license (without the right to sublicense) to use the School Materials, solely in furtherance of the Educational Program during the Term, including without limitation, the right to reproduce, publicly display, distribute and create derivative works of the same, in hard copy format or electronically, within the United States.
- G. NHA Marks. During the Term, NHA grants the School a non-exclusive, revocable, non-transferable license (without the right to sublicense) to use NHA's trade name(s) and NHA's trademark(s) (the "NHA Marks") solely for the purposes of promoting and advertising the School. NHA shall have the opportunity to review and approve all artwork, copy or other materials utilizing the NHA Marks prior to any production or distribution thereof. All uses of the NHA Marks require NHA's prior written permission. The School shall acquire no rights in or to the NHA Marks, and all goodwill associated with the NHA Marks shall inure to the benefit of and remain with NHA. Upon expiration or termination of this Agreement, the School shall immediately discontinue use of the NHA Marks and shall remove the NHA Marks from its locations, vehicles, websites, telephone directory listings and all other written or electronic promotional materials.

H. <u>Assignment</u>. Each party shall, and hereby does assign to the other, with full title guarantee and without additional compensation, such right, title and interest in and to any intellectual property as is necessary to fully affect the ownership provisions set out herein, and any accrued rights of action in respect thereof. Each party shall, if so requested by the other, execute all such documents and do all such other acts and things as may be reasonably required to comply with this Agreement to vest in the appropriate party all rights in the relevant intellectual property and shall procure execution by any named inventor of all such documents as may reasonably be required by the other party in connection with any related patent application.

ARTICLE VI

SOLICITATION AND USE OF PRIVATE FUNDS

NHA shall seek the Board's approval prior to soliciting any non-governmental grants, donations or contributions on behalf of the School. Any such funds received shall be used solely in accordance with the purpose for which they were solicited, applicable donor restrictions, or as otherwise approved by the Board. Subject to applicable donor restrictions, the Board shall determine the allocation of any such funds subject to this Article that remain unexpended following completion of the project or purpose for which they were originally designated.

ARTICLE VII

FINANCIAL ARRANGEMENTS

- A. Revenues. Except as provided herein, all monies received by the School shall be deposited in the School's depository account within three (3) business days with a financial institution acceptable to the Board; provided, however, that upon receipt of a notice from NHA, the School shall pay all such funds owing under this Agreement directly to the account or party specified in such notice. The signatories on the School depository account shall solely be Board members or properly designated Board agents (if any). Interest income earned on the School's depository account shall accrue to the School. Except as specifically excluded by this Agreement, the term "Revenues" shall include all funds received by or on behalf of the School, including but not limited to:
 - 1. Funding for public school students enrolled at the School.
- 2. Special education funding provided by the federal and/or state government that is directly allocable to special education students enrolled at the School.
- 3. Gifted and talented funding provided by the federal and/or state government that is directly allocable to gifted and talented students enrolled at the School.

- 4. At-risk funding provided by the federal and/or state government that is directly allocable to at-risk students enrolled at the School.
- 5. Funding provided by the federal and/or state government that is directly allocable to students enrolled at the School with limited English proficiency.
- 6. All other federal and/or state grant sources, including, but not limited to, Title I and any start-up funding allocable to the School.
- 7. Grants and donations received by the School to support or carry out programs at the School (except to the extent NHA is not required or involved in soliciting, administering or managing the contribution and/or donation, in which case such funds shall be deposited in the Board Spending Account (as defined below)).
- 8. Fees charged to students as permitted by law for extra services provided by NHA as approved by the Board.

The expenditure of any Revenues received from governmental entities shall be consistent with all applicable regulations and policies. The expenditure of any Revenues received from non-governmental grants, contributions and donations shall be made consistent with the provisions of Article VI.

- B. <u>Budget</u>. NHA shall provide the Board with an annual proposed Budget prepared and maintained in accordance with the Charter, the Michigan Budgeting and Accounting Act, and applicable law (the "**Budget**"). The Budget shall include all of the School's projected revenues and expenses at the object level as described in the Michigan Department of Education's Michigan School Accounting Manual. For the School's first school year, the Budget shall be submitted prior to the beginning of the school year. Thereafter, the Budget shall be submitted to the Board prior to June 1 for the next school year.
- C. <u>Review and Approval of Budget</u>. The Board shall be responsible for reviewing and approving the Budget in accordance with the Charter and applicable law. At the direction of either NHA or the Board, with the approval of the Board, the Budget shall be amended from time to time as necessary.
- D. <u>Board Spending Account.</u> Notwithstanding any other provision of this Agreement to the contrary, each school year during the Term, NHA shall allocate to an account controlled by the Board an amount equal to the lesser of: (i) 2% of state per pupil aid reflected in the Budget for that respective school year, or (ii) \$35,000 (the "Board Spending Account"). The aforesaid amount shall be deposited by NHA into the Board Spending Account pro-rata during the course of the School's school year as Revenues are received. All funds in the Board Spending Account are the property of the School and may be used by the School at the discretion of the Board. Funds in the Board Spending Account that are not spent by the School during the school year shall carryover annually. Items purchased by NHA for the School and paid for by the School with funds from the Board Spending Account, such as non-proprietary instructional and/or curriculum materials, books, supplies and equipment, shall be the property of the School.

The property of the School excludes items leased, financed or purchased by NHA with the Fee (as defined below). NHA agrees not to add any fees or charges to the cost of equipment, materials or supplies purchased by NHA at the request of or on behalf of the School with funds from the Board Spending Account. NHA, in making such purchases for the School pursuant to this subsection, shall comply with applicable law, as if the School were making such purchases itself from a third party, and shall provide the Board, upon request, available documentation evidencing the costs associated with such purchases. NHA shall maintain a listing of all assets owned by the School and shall provide the list to the Board annually upon request.

- E. <u>Fee.</u> NHA shall receive all Revenues as its services fee (the "**Fee**"), from which it shall pay all operating costs of the School as detailed in the Budget. NHA and the Board acknowledge that operating costs includes an administrative fee payable to the Authorizer as set forth in the Charter. Payment of the Fee shall be made on the same frequency that the School receives its Revenues. NHA shall be entitled to retain as compensation for the Services the difference, if any, between the Fee and the amount actually expended by NHA in operation and/or management of the School during the School's fiscal year. NHA agrees not to add any fees or charges to the cost of equipment, materials or supplies purchased by NHA at the request of or on behalf of the School.
 - F. No Loans. NHA shall not make or extend loans to the Board.
- G. Other Schools. The School acknowledges that NHA has entered into similar services agreements with other schools. NHA shall maintain separate accounts for expenses incurred in the operation of the School and other schools assisted by NHA, and shall reflect in the School's financial records only those expenses incurred in the operation of the School. If NHA incurs expenses that are for both the benefit of the School and other schools assisted by NHA, then NHA shall allocate, to the extent permitted by law, such expenses among all such affected schools, including the School, on a prorated basis based upon the number of enrolled students, the number of classrooms, or the number of teachers at the affected schools, or on such other equitable basis as is reasonably determined by NHA. In no event shall marketing and development costs incurred solely for the benefit of NHA (and not the School) be allocated to the School.

H. Financial Reporting. NHA shall provide the Board with:

- 1. At least annually, the Budget as required by this Agreement.
- 2. Monthly, financial statements no more than forty-five (45) days in arrears and at least one week prior to each Board meeting. These financial statements will include a Balance Sheet, Statement of Revenues, Expenditures and Changes in Fund Balance at object level detail with a comparison of budget to actual revenue and expenditures and explanations of variances.
- 3. Quarterly, or as reasonably requested by the Board, a report on School operations and student performance.

- 4. As reasonably requested, other information to enable the Board to: (i) evaluate the quality of the Services; and (ii) timely provide all reports and information that are required by the Charter and applicable law.
- I. <u>Access to Financial Records</u>. NHA shall keep accurate financial records pertaining to its operation of the School, together with all School financial records prepared by or in possession of NHA, and shall retain all of the aforereferenced records according to the Charter and applicable law to which such books, accounts, and records relate. NHA and the Board shall maintain the proper confidentiality of personnel, students, and other records as required by law. All records shall be kept in accordance with applicable state and federal requirements.

J. <u>Accounting Standards; Annual Audit.</u>

- 1. The School shall at all times comply with generally accepted public sector accounting principles, accounting system requirements of the State School Aid Act of 1979, as amended, applicable Michigan Department of Education rules, and applicable law.
- 2. The Board shall select and retain an independent auditor to conduct an annual audit of the School's financial matters in accordance with the Charter and applicable law.
- 3. Subject to applicable law, all records in the possession or control of NHA that relate to the School, including but not limited to, financial records, shall be made available to the School and the School's independent auditor. The expense of the annual audit shall be included in the Budget.

K. Start-up Funds; Contributions; Repayment.

- 1. NHA shall provide start-up funds for: (i) the development of curriculum, a technology system and a school operations plan; (ii) recruiting, selecting and training of staff members; and (iii) to the extent necessary as reasonably determined by NHA, cleaning, renovating and equipping of the School facility (the "**Start-Up Funds**").
- 2. NHA shall make contributions to the School in the event School expenses for the Services exceed Revenues (the "Contributions"). The Contributions, if any, shall be in amounts acceptable to the Parties and, once made, shall be included in the Budget.
- 3. The School shall not be legally obligated to repay NHA for the Start-Up Funds or the Contributions. NHA's agreement to make such Contributions shall not be deemed to negate or mitigate the need for the School to apply for or solicit state or federal start-up funds, grants or sub-grants which the School, as a public school, may be eligible to receive.

ARTICLE VIII

PERSONNEL & TRAINING

- A. Qualified Personnel. NHA shall select and hire qualified personnel to perform the Services. NHA shall have the responsibility and authority, subject to this Article, to select, hire, evaluate, assign, discipline, transfer, and terminate personnel consistent with the Budget, the Charter and applicable law. Personnel working at the School shall be employees of NHA unless otherwise expressly agreed by NHA and the Board. NHA and the Board each shall be responsible for their respective employees. However, the compensation of all employees working at the School shall be included in the Budget. Upon Board request, NHA shall disclose to the Board the level of compensation and fringe benefits provided by NHA to NHA employees working at the School. A criminal background check and unprofessional conduct search in compliance with applicable law shall be conditions for the hiring of or services provided by any person assigned by NHA under this Agreement to regularly and continuously work in any of the School's facilities or at program sites where the School delivers Services. NHA shall pay all salaries, wages, benefits, payroll and other taxes to or on account of its employees. The Academy shall not be liable for the payment of any such salaries, wages, benefits, payroll or taxes thereon for or on behalf of any NHA employee, contractor or agent. NHA acknowledges and agrees that it is the sole and exclusive responsibility of NHA to make the requisite tax filings, deductions and payments to the appropriate federal, state and local tax authorities for and on behalf of all persons employed or engaged by NHA to provide Services under this Agreement. As applicable, NHA shall conduct employee evaluations consistent with Section 1249 and 1250 of the Code.
- B. School Administrator. The School administrator (the "Administrator") shall be an employee of NHA and not the Board. The duties and terms of the Administrator's employment shall be determined by NHA. The Administrator shall work with NHA in the operation and management of the School. The Administrator shall attend meetings of the Board and shall provide reports to the Board. The accountability of NHA to the School is an essential foundation of this Agreement. NHA shall have the authority, consistent with this Article, to select, hire, evaluate, assign, discipline, transfer and terminate the Administrator, and to hold the Administrator accountable for the performance of the School. Without limiting the foregoing, NHA shall consult with the Board prior to the placement and/or removal of the Administrator. Absent compelling circumstances, the consultation shall commence at least ninety (90) days prior to NHA placing and/or removing the Administrator. NHA shall give due consideration to the input of the Board or the Board's designated representative prior to making a final decision regarding placement and/or removal of the Administrator. NHA shall remove the Administrator if the Board is reasonably dissatisfied with the Administrator's performance. Absent compelling circumstances, however, the Board shall give NHA and the Administrator six (6) months to correct the basis for the Board's reasonable dissatisfaction. The parties agree that the purpose of the above provisions is not to deny the Administrator the opportunity for growth and/or promotion within NHA. Notwithstanding any of the foregoing, the placement of the initial Administrator for the School in its first year of operation shall be made by NHA.

As the employer, NHA shall be solely responsible for the performance evaluation of the Administrator. NHA shall seek feedback from the Board prior to completing an annual Administrator performance evaluation.

- C. <u>Teachers</u>. NHA shall, consistent with this Article, assign to perform Services at the School, teachers qualified to teach their assigned subjects and grade level. The curriculum taught by the teachers shall be consistent with the Educational Program. The teachers may, at the discretion of NHA, be assigned to work at the School on a full or part time basis. If assigned to work at the School on a part time basis, the teacher(s) may also be assigned to work at other schools for which NHA provides services. The cost for such teacher(s) shall be shared proportionately among the schools at which NHA has assigned the teacher(s) to work. Each teacher assigned to work at the School shall hold a valid teaching certificate issued by the state board of education or applicable state agency to the extent required by the Authorizing Law.
- D. <u>Support Staff</u>. NHA shall, consistent with this Article, assign to perform Services at the School, qualified support staff as needed for NHA to operate the School in an efficient manner. The support staff may, at the discretion of NHA, be assigned to work at the School on a full or part time basis. If assigned to work at the School on a part time basis, the support staff may be assigned to work at other schools for which NHA provides services. The cost for such support staff shall be shared proportionately among the schools at which NHA has assigned the support staff to work. An individual assigned to work at the School that is not teaching, but for which a license is required under applicable law, shall have the appropriate license.
- E. <u>Training</u>. NHA shall provide or procure training in its methods, curriculum, program, and technology to all teaching personnel on a regular basis. Instructional personnel shall be required to obtain at least the minimum hours of professional development as required by applicable law. Non-instructional personnel shall receive training as NHA determines reasonable and necessary under the circumstances.
- F. <u>Background Checks and Qualifications</u>. NHA shall comply with applicable law regarding background checks, unprofessional conduct searches and certification/licensure, as applicable, for all persons working in the School, the costs of which shall be included in the Budget.
- G. <u>Terms of Employment</u>. No member of the staff at the School shall be subject to any covenant not to compete or other employment restriction as part of the terms of his or her employment with NHA for the Services.
- H. <u>Limitations on Discretion</u>. All decisions made by NHA, and any discretion exercised by NHA, in its selection, hiring, evaluation, assignment, discipline, transfer, and termination of personnel, shall be consistent with the Budget, the Charter, the parameters adopted and included in the Educational Program, and applicable law.

ARTICLE IX

INDEMNIFICATION

- A. <u>Indemnification of Parties</u>. To the extent not prohibited by the Charter or applicable law, the Parties hereby agree to indemnify, defend, and hold the other (the "**Indemnified Party**"), harmless from and against any and all third-party claims, actions, damages, expenses, losses or awards which arise out of (i) the negligence or intentional misconduct of the indemnifying party, (ii) any action taken or not taken by the indemnifying party, or (iii) any noncompliance or breach by the indemnifying party of any of the terms, conditions, warranties, representations, or undertakings contained in or made pursuant to this Agreement. As used herein, Indemnified Party shall include the party's trustees, directors, officers, employees, agents, representatives and attorneys. The Parties may purchase general liability, property, or other insurance policies. Notwithstanding anything in this Agreement to the contrary, the Board shall not be precluded by the terms of this Agreement from asserting or declining to assert a claim of governmental immunity.
- В. <u>Indemnification of Authorizer</u>. The Parties acknowledge and agree that the Authorizer, its Board of Trustees, and its members, officers, employees, agents or representatives are deemed to be third party beneficiaries for purposes of this Agreement. As third party beneficiaries, the Parties hereby promise to indemnify and hold harmless the Authorizer, its Board of Trustees, and its members, officers, employees, agents or representatives from all claims, demands, or liability, including attorney fees, and related expenses, on account of injury, loss or damage, including, without limitation, claims arising from bodily injury, personal injury, sickness, disease, death, property loss or damage or any other losses of any kind whatsoever and not caused by the sole negligence of the Authorizer, which arise out of or are in any manner connected with the Authorizer's Board of Trustees' approval of the Charter Application, the Authorizer's Board of Trustees' consideration of or issuance of a Charter, the School Board's preparation for and operation of a public School, or which are incurred as a result of the reliance by the Authorizer, its Board of Trustees, and its members, officers, employees, agents or representatives upon information supplied by the School Board or NHA, or which arise out of the failure of the School to perform its obligations under the Charter issued to the School by the Authorizer. The Parties expressly acknowledge and agree that the Authorizer, its Board of Trustees, and its members, officers, employees, agents or representatives may commence legal action against either Party to enforce its rights as set forth in this Agreement.

ARTICLE X

INSURANCE

A. <u>Insurance Coverage</u>. NHA shall maintain such policies of insurance as required by the Charter, the Authorizers insurance carrier recommendations, and applicable law. Each party shall, upon request, present evidence to the other that it maintains the requisite insurance in compliance with the provisions of this Article. In the event that the Authorizer's insurance carrier recommends any change in coverage, NHA agrees to comply with any change in the type and amount of coverage as requested by the Authorizer's insurance carrier within thirty (30) days

after notice of the insurance coverage change is provided to NHA. Each party shall comply with any information or reporting requirements required by the other party's insurer(s), to the extent reasonably practicable.

B. <u>Workers' Compensation Insurance</u>. Each party shall maintain workers' compensation insurance as required by law, covering their respective employees.

ARTICLE XI

REPRESENTATIONS & WARRANTIES

- A. <u>Board and School</u>. The Board represents and warrants, for itself and on behalf of the School, that: (i) it is legally vested with all power and authority necessary to operate a charter school under the Authorizing Law; (ii) it is legally vested with all power and authority necessary to execute, deliver and perform this Agreement, including without limitation, the power and authority to contract with a private entity for the provision of educational, business administration and management services; (iii) its actions have been duly and validly authorized, and it has adopted any and all resolutions or expenditure approvals required for the execution of this Agreement; and (iv) there are no pending actions, claims, suits or proceedings, or, to its knowledge, threatened or reasonably anticipated against or affecting either the Board or the School, which if adversely determined, would have a material adverse effect on its ability to perform under this Agreement.
- B. NHA. NHA represents and warrants that: (i) it is a corporation in good standing and is authorized to conduct business in the State of Michigan; (ii) it is legally vested with all power and authority necessary to execute, deliver and perform this Agreement; (iii) there are no pending actions, claims, suits or proceedings, or, to its knowledge, threatened or reasonably anticipated against or affecting NHA, which if adversely determined, would have a material adverse effect on its ability to perform its obligations under this Agreement; and (iv) it will comply with all registration and licensing requirements relating to conducting business under this Agreement, which the Board agrees to assist NHA in applying for such licenses and permits and in obtaining such approvals and consents.

ARTICLE XII

MISCELLANEOUS

- A. <u>Entire Agreement</u>. This Agreement and any attachments hereto shall constitute the entire agreement of the Parties on the subject matter set forth herein. This Agreement supersedes and replaces any and all prior agreements and understandings regarding the subject matter set forth herein between the School and NHA.
- B. <u>Force Majeure</u>. Except for payment obligations, and notwithstanding any other provisions of this Agreement, neither party shall be liable for any delay in performance or inability to perform due to acts of God, war, riot, embargo, fire, explosion, sabotage, flood, accident, labor strike, or other acts beyond its reasonable control; provided either party may

terminate this Agreement in accordance with provisions contained herein if sufficient grounds exist as provided in the Article governing termination.

- C. <u>State Governing Law; Waiver of Jury Trial</u>. This Agreement shall be construed, interpreted, governed and enforced pursuant to the laws of the State of Michigan, without regard to its conflict-of-laws principles. The Parties hereby waive the right to a jury trial in any action, proceeding or counterclaim brought by either NHA or the School against the other.
- D. <u>Notices</u>. All notices and other communications required by this Agreement shall be in writing and sent to the Parties at the facsimile number or address set forth below. Notice may be given by: (i) facsimile with written evidence of confirmed receipt by the receiving party of the entire notice; (ii) certified or registered mail, postage prepaid, return receipt requested; or (iii) personal delivery. Notice shall be deemed to have been given on the date of transmittal if given by facsimile, upon the date of postmark if sent by certified or registered mail, or upon the date of delivery if given by personal delivery. For purposes of the foregoing, "**personal delivery**" shall include delivery by nationally recognized overnight courier (such as FedEx), if signed for by the recipient or a delegate thereof. Notices to the School shall be sent to the current address of the then current Board President, with a copy to the then current Board attorney. The addresses of the Parties for the purposes aforesaid, including the address of the initial Board President, are as follows:

The School: Detroit Enterprise Academy

Attn: President, Board of Directors

11224 Kercheval Street Detroit, Michigan 48214 Telephone: (313) 823-5799

Facsimile: (313) 823-0342

WITH A COPY TO:

CS3 Charter School Consulting Services, PLLC

Attn: Candace Sorensen

1700 Tammarron Avenue, SE Grand Rapids, Michigan 49546 Telephone: (616) 822-7754

NHA: National Heritage Academies, Inc.

Attn: Chief Financial Officer 3850 Broadmoor, S.E. Ste. 201 Grand Rapids, Michigan 49512 Telephone: (616) 222-1700

Facsimile: (616) 222-1700

WITH A COPY TO:

McShane & Bowie Attn: John R. Grant 1100 Campau Square Plaza 99 Monroe Ave., NW Grand Rapids, MI 49501 Telephone: (616) 732-5013

Facsimile: (616) 732-5099

- E. <u>Assignment</u>. NHA may assign this Agreement with the prior written approval of the Board and in a manner consistent with the Authorizer's policies.
- F. <u>Amendment</u>. This Agreement shall not be altered, amended, modified or supplemented except by memorandum approved by the Board and signed by both an authorized officer of the School and NHA and in manner consistent with the Authorizer's policies.
- G. <u>Waiver</u>. No waiver of any provision of this Agreement shall be deemed or shall constitute a waiver of any other provision. Nor shall such waiver constitute a continuing waiver unless otherwise expressly stated.
- H. <u>Costs and Expenses</u>. If any Party commences and action against another Party as a result of a breach or alleged breach of this Agreement, the prevailing Party shall be entitled to have and recover from the losing Party reasonable attorneys' fees and costs of suit.
- I. <u>Severability</u>. If any term or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms and provisions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the Parties shall use their best efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term or provision.
- J. <u>Delegation of Authority</u>. Nothing in this Agreement shall be construed as delegating to NHA powers or authority of the Board which are not subject to delegation by the Board under the Charter or applicable law.
- K. <u>Compliance with Law</u>. Each party will comply with the Charter and laws applicable to the performance of such party's obligations hereunder.
- L. <u>Time of Essence</u>. The Parties understand and agree that time is of the essence in performing their respective responsibilities under this Agreement.

[Signatures on Following Page]

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the Effective Date.

NHA:

National Heritage Academies, Inc., a Michigan corporation

By:

Paul Witte

Its:

Sr. Director of Legal and Compliance

SCHOOL:

Detroit Enterprise Academy a Michigan public school academy

Its: Board President

Detroit Enterprise - Services Agreement (v1.6.11.12)

SCHEDULE 7

ACADEMY SPECIFIC INFORMATION & EDUCATIONAL PROGRAM

SCHEDULE 7-1 EDUCATIONAL GOALS AND PROGRAMS

EDUCATIONAL GOALS

Standards for Schools Serving from Kindergarten to Eighth Grade:

Standard #1: On the average of all MEAP tests administered or successor state test administered, the public school academy will meet or exceed the performance of its select peer district. A select peer district is the school district Grand Valley State University identifies as a reasonable comparison district for the public school academy.

Standard #2: On the average of all MEAP tests or successor state test administered, the public school academy will meet or exceed the performance of its compositional peer district. The comparison scores for the compositional peer district are populated by the weighted total of MEAP scores from those districts in which the PSA's students physically reside.

Standard #3: The public school academy will not average more than one-half a standard deviation below GVSU's MEAP or successor state test/Free-Reduced Lunch regression model for all grades and subjects included in the model.

Standard #4: The Fall to Spring growth rate of each grade and subject for all groups of pupils for which the administered nationally norm-referenced test is designed will fall at the fiftieth percentile or higher.

Date: 5/1/12 Annal Mark
Board President/Vice President Signature

Secretary's Certification:

Detroit Enterprise Academy

Board Secretary

CURRICULUM

Schedule 7-2 Curriculum

The instructional program will be driven by the learning goals established for all students through its curriculum. These learning goals encompass academic standards in the core areas of learning including English language arts, mathematics, science, and social studies, as well as other areas of learning such as the arts, music, and physical education. Because responsibility. integrity, personal character, and effort contributors to success in school and life, and because character traits such as perseverance are highly correlated with college success, character development and the teaching of virtues will be an explicit and integrated component of the curriculum. When coupled with high-quality instruction and solid curricular tools to support instruction, the curriculum will promote academic success for students, equipping them with the knowledge, understanding, and skills needed to meet or exceed the Michigan Content Standards and the Common Core State Standards.

The school's instructional program includes clear, coherent, and sequential standards, labeled Educational Objectives, for all grade levels and in all content areas. Core content area summary information is included below.

English Language Arts

Literacy, including reading and writing, is a critical component of college readiness. "Low literacy levels often prevent high school students from mastering other subjects" and struggling readers are often excluded from academically challenging courses. Developing reading proficiency and strong literacy skills in elementary and middle grades is essential to ensuring that students are on a college-readiness trajectory. The English language arts (ELA) curriculum is designed to produce highly literate students who are proficient readers and strong writers. The curriculum enables students to read, comprehend, write, and respond thoughtfully to what they encounter in the classroom and the world around them through its reading, writing, speaking, listening, and viewing components.

In early grades, the curriculum emphasizes the five components of reading instruction as outlined by the National Reading Panel, including phonemic awareness, phonics, fluency, vocabulary, and text comprehension. The curriculum also helps students develop the intellectual processes needed to remember, understand, analyze, evaluate, apply, and extend the ideas they encounter while reading. Student learning is enhanced through reading a variety of fiction and nonfiction texts, including a wide range of expository/informational and literary genres. Through writing, students learn the technical skills and processes necessary to produce different types of texts, with appropriate conventions, but also learn to write creatively and critically. And through speaking, listening, and viewing, students become collaborative and reflective in their learning processes. Students who master the ELA curriculum are prepared to read for deep meaning and understanding, write and speak effectively to communicate ideas and information while using appropriate language conventions, listen actively and critically as they encounter new information and ideas, and generate new ideas based on what they encounter both inside and outside the classroom.

Beyond this, the curriculum in grades K-2 focuses on and supports the process of learning to read. Decoding, word recognition, and building vocabulary are important as students begin to develop understanding and fluency. In grades 3-5, the curriculum supports a transition from

¹ ACT, Inc., Reading Between the Lines: What the ACT Reveals About College Readiness in Reading (Iowa City, IA, 2006).

learning how to read to reading in order to learn; learning shifts to understanding that texts have specific purposes and reading with those purposes in mind. Students are introduced to informational text in addition to a variety of literary texts. Reliance on the basal reader decreases and additional resources like novels, newspapers, magazines, and web-based resources are used to support reading instruction. In grades 6-8, the curriculum focuses on extending reading and comprehension skills, developing deep evaluation and analysis skills and the ability to make connections within and between texts.

The language arts curriculum supports learning in language conventions, mechanics, spelling, and writing. In the earliest grades, students learn how to write words and sentences using appropriate mechanics and grammar and begin to use the writing process to convey information and narrative through written text. In middle grades, the curriculum develops in students a deeper understanding of writing through a focus on prewriting strategies, organizational formats, drafting, revising, proofreading, and publishing. The curriculum ensures that students learn to write for different purposes; writing includes narratives, stories, poems, interpretive responses, essays, and descriptive pieces. In later grades, the curriculum continues to extend students' writing skills through narrative, expository, persuasive, and technical writing, and technology enhances students' ability to write, revise, edit, and publish their work. Grammar, punctuation, spelling, and writing conventions are taught as part of language arts for students in all grades.

Mathematics

If students are to be well-equipped for college and beyond, students must be prepared through their K-8 education to take Algebra II and other advanced mathematics courses in high school. "A strong grounding in high school mathematics through Algebra II or higher correlates powerfully with access to college, graduation from college, and earning in the top quartile of income from employment." The development of a deep understanding of mathematical concepts makes such success possible. The school's mathematics curriculum is designed to ensure that all students complete Algebra I by eighth grade, thus placing students on a college-and career-readiness trajectory. Students who successfully complete Algebra I prior to entering high school are much more likely to complete Algebra II and other more advanced mathematics prior to graduating high school, which means they will be "more than twice as likely to graduate from college" than students who don't complete it."

The National Council for Teachers of Mathematics has recognized the importance of the study of algebra in developing mathematical fluency and has also noted the importance of the study of other mathematics components such as number sense and number operations, measurement, geometry, data analysis and probability, and problem solving. The curriculum focuses on each of these components beginning in kindergarten. Number Sense is developed through a variety of concrete models, allowing students to use the area of the brain used for the comprehension of mathematical knowledge. Students are prepared to be fluent in computation using formal algorithms and also learn essential measurement and data analysis skills. Students also learn to make connections and apply mathematical knowledge through problem solving and inquiry.

In grades K-2, algebraic awareness, number sense, and computational fluency are the main focus of students' learning. Students develop the skills necessary to progress into higher level mathematics; through open-ended problem solving, they increase their critical thinking skills and ability to see connections across mathematics as well as other subjects. In grades 3-5, learning

² National Mathematics Advisory Panel, Foundations for Success: The Final Report of the National Mathematics Advisory Panel (Washington, D.C.: U.S. Department of Education, 2008).

³ Ibid.

shifts from computation to fractional awareness. The part-to-whole relationships that are developed in these early grades lead to a deeper understanding of fractions, percents, and decimals and computation. Algebraic skills move from pattern recognition and development to the creation of equations and the use of variables. As students move into grades 6-8, the focus shifts to the study of algebra and functions. Number sense remains a critical focus area through the study of integers, rational and irrational numbers, exponents, and absolute values. Conceptual ideas are integrated through lab activities that provide exploratory opportunities for students to explicitly connect abstract ideas to concrete examples.

The mathematics curriculum also ensures that students become effective as mathematical communicators by engaging them in thinking, reading, and writing about mathematics to help them understand the foundational concepts necessary for success in more complex mathematical coursework.

Science

As the Association for the Advancement of Science and the National Council on Science explain, developing college-ready and scientifically literate students involves teaching a mixture of content knowledge, the practices and skills of scientists, and information on the nature of science. The curriculum, which includes study in Life Science, Physical Science, and Earth and Space Science, is designed to develop content knowledge about the results of scientific discoveries regarding the natural world. The teaching of practices and skills of scientists requires that students participate in the scientific process of inquiry and discovery through conducting investigations, using instruments, and applying mathematical skills that model the process used by scientists to learn about the universe. The curriculum provides students with the opportunity to participate in the scientific process, in addition to read, write, discuss and experiment with science through high level thinking and problem solving. It also ensures that students use the scientific processes and skills through lab work and investigations.

The content of the science curriculum in grades K-2 focuses scientific learning primarily through the study of events and phenomena in nature that can be observed with the five senses. Investigations at this level are modeled, simple, and structured, allowing students to write journals on their discoveries, create simple pictographs of data, and draw conclusions from observations under the direction of the teacher. The incorporation of non-fiction readers on each topic provides students the opportunity to develop grade level appropriate science vocabulary.

Building on these foundational skills, including the integration of skills from English language arts and Math, the curriculum for grades 3-5 directs students to begin exploring cause and effect connections between events (e.g., the sun rises every day and it gets warmer during the day, ergo, the sun provides heat to earth). Investigations for students in grades 3-5 are still often modeled, but they are more complex and involve more detailed measurements, use a variety of tools such as balances and microscopes, and require students to control for multiple variables. Students engage in the practices of scientists as they chart data, complete lab reports, and create graphs in order to communicate results of investigations orally and in writing while defending their conclusions.

The curriculum for students in grades 6-8 includes further exploration of cause and effect relationships while also connecting knowledge of concepts to real world examples and solidifying congruence between students' understanding of phenomena to that of the scientific community. Investigations are more student-directed, from the guiding question through the scientific procedures to the organizing, analyzing and reporting of data. Within each unit of instruction in grades 6-8, students will employ the skills of scientists as they make connections

with respect to the content of the unit using the methods of science. The scientific method is consistently integrated into content units throughout the year, and students will conduct science investigations through both closed lab investigations and through open investigations in response to the questions being raised during content studies.

Social Studies

The Social Studies curriculum ensures that students are not only prepared for high school and college, but also prepared for the rest of their lives as global citizens. According to ACT, developing students' understanding in the disciplines of history, culture, economics, and civics ensures that they are ready for college. In addition to supporting learning in these areas, the Social Studies curriculum also allows students to develop and utilize critical thinking skills by making connections, inferences, and arguments around the content and skills they are learning in these disciplines. This focus on content, skills, and critical thinking produces students who are knowledgeable in Social Studies and prepared to participate in society as informed citizens.

The curriculum emphasizes the Social Studies disciplines that will best prepare students to be intelligent members of society. Students who master the Social Studies curriculum understand how geography and economics interact in a global society. Through exposure to primary and secondary sources, students develop knowledge of our shared national and world history and are able to make connections between the past and present and between cultures and government systems that are familiar and those that are not.

Specifically, the Social Studies curriculum in grades K-2 focuses on students being able to describe basic historical events, people, and conflicts and to develop an understanding of their own culture and local community. In these early grades, students begin to become exposed to the history and cultures of places around the world to expand their knowledge beyond what is in close proximity to them. By grades 3-5, the curriculum helps students describe historical happenings in more detail while allowing them to comment on how these happenings had an impact on other historical occurrences in American and world cultures. By grades 6-8, students are regularly practicing how to make connections between historical events in the United States and the world and current events, as well as developing their knowledge of the relationship between geography, history, economics, and culture.

The Social Studies curriculum also supports learning geography, economics, and civics. In the primary grades, students become familiar with basic geographical representations, economic concepts and resources, and functions of government by studying local examples of their community and school. In the intermediate grades, the curriculum gives students opportunities to extend this basic knowledge to gather more complex information, describe concepts in more detail, and deepen their understanding of the relationship between geography, economics, and civics. Third through fifth grade students extend their learning by studying these relationships through national examples. In the middle school grades, the curriculum helps the students use their knowledge of geography, economics, and civics to make generalizations about countries around the world, to compare these countries to the United States, and to describe how these disciplines work together in a global society.

Character Development

Because teaching virtues is integral to the development of children and to preparedness for high school and college, the curriculum includes explicit, integrated character development. This component of the curriculum, which we call Moral Focus, identifies the skills, behaviors, character traits, and virtues that students need to apply their academic learning as citizens and

to be successful learners in high school and college. A comprehensive character development approach, drawing from both the *Smart & Good Schools Initiative*⁴ and the Greek Cardinal Virtues, is focused through the study of Moral Character, Performance Character, and Social Character.

Moral Character guides students towards becoming their best self. Through the curriculum, students learn that character is defined by the virtues that they incorporate as a consistent part of their behavior. They also learn that they, as individuals, bear the responsibility for developing these virtues. The curriculum consists of a school wide focus around nine monthly virtues, which were derived from the Greek Cardinal Virtues. Students develop these virtues through explicit teaching and integrated practice until they become settled habits. Each monthly virtue is comprised of three focus virtues that build from kindergarten to eighth grade. This allows students to acquire a deep understanding of each virtue. Each monthly focus virtue within the curriculum is clearly defined within the curriculum and includes expected student behavior as it relates to that virtue.

Performance Character helps students grow in their ability to do their best work. Through the study of performance character, students learn that effort creates ability and that achievement must be earned. Students learn to strive for excellence in all that they do, work hard to overcome obstacles, find joy in a job well done, and develop the work and study habits needed to succeed in school and life. Students develop the skills to take ownership of their learning, and they acquire the tools needed to be able to define, prioritize, and complete tasks independently and utilize their time efficiently. In addition to these academic strategies, students learn to set goals for improvement and to monitor their progress in meeting those goals.

Social Character focuses on the skills students need to interact best with others. The social character aspect of the character development curriculum enhances students' ability to listen and be understood by others. Students learn to identify and manage their emotions in order to regulate their behavior and make wise choices. They consider possible outcomes, alternatives, and consequences to their choices with the understanding that they alone are responsible for their actions. Students also acquire the tools needed to have effective and lasting interpersonal relationships with others.

Students learn to internalize these concepts through the intentional and consistent focus on the application of character development concepts throughout all aspects of school life. The character development curriculum is not another subject to be taught during the school day. It defines the character traits and behaviors that need to be consistently and intentionally modeled for and exhibited by students at all times throughout the day; complete integration is thus essential for students to learn the importance of developing and maintaining a strong personal character and the qualities necessary for success as both a student and a citizen. Through consistent modeling and integration of the virtues and behaviors identified in the character development curriculum, staff and students create a learning environment built on a foundation

⁴ See Matthew Davidson and Thomas Lickona, *Smart & Good High Schools: Integrating Excellence and Ethics for Success in School, Work, and Beyond* (Cortland, NY: Center for the 4th and 5th Rs, 2005). Respect and Responsibility / Washington D.C.: Character Education Partnership.

of respect and care where everyone works hard to achieve academic goals and improve schoo
culture.

SCHEDULE 7-3 STAFF RESPONSIBILITIES



Except as otherwise provided by law, the Academy shall use certificated teachers according to state board rule. The Academy may use noncertified individuals to teach as follows:

- (a) A classroom teacher in any grade a faculty member who is employed full-time by the state public university and who has been granted institutional tenure, or has been designated as being on tenure track, by the state public university, and
- (b) In any other situation in which a school district is permitted under this act to use noncertificated teachers.

All administrators or other person whose primary responsibility is administering instructional programs or as a chief business official shall meet the certification and continuing education requirements as described in MCL 380.1246.

Schedule 7-3 Description of Staff Responsibilities

Responsibilities for Staff Members:

Following is a brief discussion of the main positions and their responsibilities. Some positions, such as custodian, may be contracted labor.

Principal

Employed by: National Heritage Academies Reports to: Director of School Quality

The Principal is responsible for the following:

- · Hire and evaluate school staff
- Develop and evaluate educational program to ensure conformance to state, federal, school Board, and National Heritage Academies' standards
- Develop and coordinate educational programs through meetings with staff, review of teachers' activities, and issuance of directives
- Confer with teachers, students, and parents concerning educational and behavioral problems in school
- Establish and maintain relationships with colleges, community organizations, and other schools to coordinate educational services
- Facilitate parent education and involvement
- Requisition and allocate supplies, equipment, and instructional material as needed
- Direct preparation of class schedules, cumulative records, and attendance reports
- Monitor safety and security of students, staff, visitors, and school facility
- Monitor school budget and manage expenses
- Direct building maintenance and custodial services
- Develop and administer educational programs for students with mental or physical disabilities

Qualifications:

- Must meet state requirements for elementary principals.
- Master's degree (M.A.) or equivalent; or four to ten years related experience and/or training; or equivalent combination of education and experience.
- Demonstrated successful leadership as a school principal.
- Demonstrated successful teaching experience.
- Exhibited leadership in working with professional staff, students, and the community.

Dean

Employed by: National Heritage Academies

Reports to: Principal

The role of the Dean was designed to share and distribute leadership more effectively within the school structure. The primary responsibility of the Dean is to observe, coach, and provide feedback weekly with one-on-one conversations with all assigned teachers. Responsibilities of a Dean will also include the following:

- Oversee and monitor that Moral Focus curriculum is integrated into lesson design and delivery
- Deliver professional development

- Provide training for effective classroom management (including creating and implementing social contracts)
- Train and support a consistent student discipline program
- Monitor Special Education students in various settings and provide feedback
- · Monitor lesson plans to prescribed template weekly
- Facilitate wing and grade level meetings as assigned

Qualifications:

- Valid teaching certificate/license with appropriate endorsements.
- Two to three years of teaching experience, preferably at a school managed by National Heritage Academies.
- Ability to establish and maintain effective working relationships with students, peers, parents and community.
- Responsible in completing tasks and problem solving.
- Demonstrates organization skills.
- Encourages excitement in teachers.
- Demonstrates vision for continuous improvement in school academics and learning.

Teacher

Employed by: National Heritage Academies

Reports to: Dean

Teachers are responsible to implement the curriculum, coordinate with educational assistants, maintain current achievement level information, assign additional studies to students not meeting or exceeding achievement, keep accurate student records, and establish classroom procedures. Teachers are also responsible to order supplementary education materials, request parent volunteers and report all education-related activities to the Principal.

Responsibilities:

- Strategically plan the year's learning objectives
- Model enthusiasm for learning
- Teach the curriculum provided for the grade level
- Provide thoughtfully-prepared, high-quality lessons each day
- Develop materials as needed for all academic subjects to ensure excellent opportunities for students to master material
- Assess student learning and check frequently for mastery of material
- Provide parents with regular feedback regarding their student's progress through verbal contact, written contact, progress reports, report cards, and parent/teacher conferences
- Promote character development by establishing an atmosphere of integrity, high expectations, and sensitivity
- Maintain a neat, orderly, functional, cheerful-looking classroom
- Work effectively with his/her grade level team (where applicable) and the rest of the staff team
- Supervise recess periods, lunch periods, and other activities when a parent volunteer is not available
- Follow the Student Discipline Policy and all other discipline policies
- Grow professionally through further academic studies

- Understand and support all aspects of the Employee Handbook and Benefit Plan Descriptions
- Use AtSchool® to record grades, report attendance, complete report cards, and access online educational materials
- Assist the Principal in other duties as requested

Qualifications:

- Bachelor's Degree and appropriate Teaching Certificate/Licensure
- Demonstrated ability to communicate and work effectively with parents
- Demonstrated ability to adapt to individuals specific needs
- Demonstrated ability to adapt to differences and changes in characteristics of students, programs, leadership, staff and community
- Demonstrated ability to utilize varied teaching methodologies to accommodate students' unique learning styles
- Demonstrated ability to evaluate tests and measurements of achievement
- Demonstrated ability to work effectively as a team member

Special Education Teacher

Employed by: National Heritage Academies

Reports to: Dean

The Special Education Teacher at the school is a versatile individual who specializes in working with students with disabilities and their families to maximize their potential.

Responsibilities:

- Provide direct and indirect instruction
- Provide long and short term planning that addresses individual needs of students
- Evaluate students' progress
- Teach a multi-model approach
- Provide an inviting, exciting, innovative, learning environment
- Establish and maintain classroom management procedures
- Report directly to the Dean of Student Services
- Prepare written reports accurately and submit in a timely manner
- Effectively communicate with regular education teachers, parents and administrators to facilitate the IEPC procedure
- Effectively consult with parents, students, teachers and administration
- Provide professional liaison between school and home when necessary
- Remain current on rules set forth in special education law
- Maintain privacy of student records and information

Qualifications:

- Michigan Elementary Teaching Certificate
- Michigan Special Education Certification
- Demonstrated ability to communicate and work effectively with parents
- Demonstrated ability to adapt to individuals specific needs
- Demonstrated ability to adapt to differences and changes in characteristics of students, programs, leadership, staff and community
- Demonstrated ability to utilize varied teaching methodologies to accommodate

students' unique learning styles

- Demonstrated ability to evaluate tests and measurements of achievement
- Demonstrated ability to work effectively as a team member

Registrar

Employed by: National Heritage Academies

Reports to: Principal

The Registrar will maintain the school office and provide assistance to students, parents, and staff.

Responsibilities:

- Maintain and update record-keeping at the school
- Answer phones
- · Maintain student counts
- Maintain student database
- Maintain student master schedule
- Provide assistance to staff and students
- Perform as a receptionist for the school

Qualifications:

- Ability to word process and utilize a database accurately
- Demonstrated ability to communicate and work effectively with staff and parents
- Ability to adapt to constantly changing needs
- Demonstrated ability to adapt to differences and changes in characteristics of students, programs, leadership, staff, and community

Library Technology Specialist

Employed by: National Heritage Academies

Reports to: Principal

The Library Technology Specialist's role is to provide the leadership and expertise necessary to ensure that the library and technology programs are an integral part of the instructional program of the school. The Library Technology Specialist will assume the responsibility of leader, trainer, manager, teacher, and information specialist.

Responsibilities:

- Work with administrators and school personnel to develop long range goals and objectives for the school library and technology programs
- Serve as the primary contact for the IT Department in the school
- Initiate and maintain contact with Principal, teachers, and students to implement library and technology programs
- Communicate the philosophy and goals of the school library and technology programs to the students, teachers, administration and community
- Plan, teach, evaluate and reinforce instruction designed to make students and staff effective users of information
- Make resources available to students and teachers through a systematically developed and organized collection of library media materials and technology
- Arrange for flexible scheduling of library and technology

- Assist teachers to promote reading and guide students in the individual choice of books for recreational and research reading
- Participate in school leadership and strategic planning at the building level
- Provide staff development opportunities for school personnel in the selection, use, evaluation and availability of media
- Provide indirect supervision of the library technology aide and volunteer staff in the library and technology center(s)

Qualifications:

 Bachelor's Degree along with appropriate certification/licensure for teaching in a library/media center setting

Instructional Aide

Employed by: National Heritage Academies

Reports to: Teacher

The Instructional Aide at the school will provide assistance and support under the direct supervision of a certified or licensed teacher, as needed. The Instructional Aide's responsibilities include but are not limited to:

Responsibilities:

- Assist with oversight and technical operations of computer laboratories
- Assist with physical care tasks and health-related activities as appropriate
- Assist students with behavioral/management needs
- Assist with setting up laboratory equipment, conducting experiments, and performing limited reviews of student laboratory reports
- Assist with technical preparation and production of media programs
- Read to and play audio-visual materials for children
- Assist with proctoring examinations and other related tasks
- Assist with correcting test papers, recording grades, maintaining files, and preparing statistical reports
- Manage records, materials, and equipment
- Supervise students

METHODS OF ACCOUNTABILITY AND PUPIL ASSESSMENT

Grand Valley State University shall evaluate the success of the Academy by considering multiple areas of performance. A Comprehensive Performance Review (CPR) system will be established by Grand Valley State University Charter Schools Office and shall include, but not be limited to, the performance of the Academy in the areas of student performance, board governance, organizational performance, compliance reporting, facility conditions, fiscal strength and reporting and other pertinent performance data, as required by federal and state law, the authorizing contract, or desired by the authorizer for review.

Included in the Comprehensive Performance Review shall be the requirements of Article VI Section 6.5 of the authorizing agreement, which states:

Section 6.5. Methods of Accountability. In addition to those set forth in this Section 6.5, the Academy shall evaluate its pupils' work based on the assessment strategies identified in the Schedules. To the extent applicable, the pupil performance of the Academy shall be assessed using at least the Michigan Education Assessment Program (MEAP) test or the Michigan Merit Examination (MME) designated under the Code. The Academy shall provide the University Charter Schools Office with copies of reports, assessments and test results concerning the following:

- a) educational outcomes achieved by pupils attending the Academy and other reports reasonably requested by the University Charter Schools Office;
- an assessment of the Academy's student performance at the end of each academic school year or at such other times as the University Board may reasonably request;
- c) an annual education report in accordance with the Code;
- an annually administered nationally recognized norm-referenced achievement test for the Academy's grade configuration, or a program of testing approved by the University Charter Schools Office Director; and
- e) all tests required under Applicable Law.

The University Board may use such reports, assessments and test results in making its decision to revoke, terminate, or not issue a new contract at the end of the Contract.

Date: 0/1/2012

Menda Mud Board President/Vice President Signature

Secretary's Certification:

I certify that the foregoing resolution was duly adopted by the Detcoit Enterprise Board of Directors at a properly noticed open meeting held on the 12 day of nou, 2012, at which a quorum was present.

Board Secretary

ACADEMY'S ADMISSION POLICIES AND CRITERIA

Admission and Enrollment Policy

Admission to the Academy shall be open to all age-appropriate children for grade levels offered in accordance with the Academy's charter contract without charge for tuition and without discrimination on the basis of intellectual or athletic abilities, measures of achievement or aptitude, disability, status as a handicapped person, homeless status, English proficiency, religion, creed, race, sex, color, national origin or any other basis that would be illegal for an existing school district. Admission shall comply with all applicable federal and state laws. Admission shall be limited to those students who are residents of the state, except a foreign exchange student.

The Academy will remove barriers to the enrollment and retention in school of children and youth experiencing homelessness by developing and implementing practices and procedures consistent with the McKinney-Vento Homeless Education Assistance Act and applicable state law. The school will ensure that all identified homeless children and unaccompanied youth receive a free and appropriate education and are given meaningful opportunities to succeed in the school.

It is the policy of the Board that its educational service provider develop and implement practices and procedures that control the admission and enrollment of students, including public notice, lottery and random selection drawing to be used when the number of applicants exceed the number of available spaces for grades offered. Detailed application, lottery and admission practices and procedures shall be available to parents and the general public at the school office. The Board will annually approve offered seats and maximum class size of the Academy.

References:

US Constitution, Fourteenth Amendment

Title IX of Education Amendments Act (20 USC 1681 et. seq.)

The Civil Rights Act of 1964

The McKinney-Vento Homeless Education Assistance Act (42 USC §11434a[2])

Rehabilitation Act of 1973 (29 USC 791 et. seq.)

Equal Educational Opportunity Act of 1974 (20 USC 1703 et. seq.)

The Americans with Disabilities Act of 1990 (42 USC 12101 et. seq.)

Michigan Constitution

MCL 37.1101 et. seq.; 37.1402; 37.2402; 380.503 et. seq; 380.504 et. seq.; 380.1146; 380.1704

National Heritage Academies Admissions and Enrollment Practices & Procedures

National Heritage Academies Homeless Child Practices & Procedures

NHA PRACTICES AND PROCEDURES: ADMISSIONS AND ENROLLMENT (MI)

The school will comply with all applicable federal and state laws related to admissions and enrollment.

Non-Discrimination

The school will not discriminate on the basis of intellectual or athletic abilities, measures of achievement or aptitude, disability, status as a handicapped person, homeless status, English proficiency, religion, creed, race, sex, color, national origin or any other basis that would be illegal for an existing public school.

Open Enrollment Period and Notice

The "**Open Enrollment Period**" for the first year of operation will be determined prior to June 30 by the NHA Admissions Department and included in the notice of Open Enrollment. In all subsequent years, the Open Enrollment Period is from the first day of school of the current school year until 5:00 p.m. on the last day of business in February of the current school year. Notice of the Open Enrollment Period and application process will be designed to inform the persons most likely to be interested in the school.

National Heritage Academies (NHA) and/or the school will provide notice of open enrollment by (a) printing a legal notice of the enrollment period in a local newspaper of general circulation; (b) mailing a written notice of the Open Enrollment Period and an application to all families who inquire about school enrollment; and (c) posting a written notice of the Open Enrollment Period at the school. In addition, notice may also be provided by airing a public service announcement on local television.

As part of the enrollment process, the school staff will communicate to meet with families, parents and students prior to the first day of school.

Application Procedures

Interested parties may obtain applications at:

- The school's website accessed through www.nhaschools.com
- The offices of the school
- The service center of NHA at 3850 Broadmoor SE, Suite 201, Grand Rapids, MI 49512 or by calling 866-NHA-ENROLL from 8:00 a.m. to 5:00 p.m. EST.

Applications will be mailed or faxed to anyone requesting an application by telephone.

Applications for the current school year will be accepted until the end of the current school year and available seats will be filled. Applications for the subsequent school year are received during and after the Open Enrollment Period. If applications received during the Open Enrollment Period exceed offered seats in any grade level ("over-subscribed grades"), a random selection process will take place for all grade levels including undersubscribed grade levels. If applications received are fewer than offered seats in each and every grade level ("under-subscribed grades"), all eligible applicants will be accepted and a random selection process will not be conducted.

All applications received after the Open Enrollment Period <u>will not</u> be eligible to participate in the random selection process, and will be added to the end of the accepted list if offered seats are still available after the random selection process, or to the resulting waiting list created at the time of the random selection process.

Accepted applicants must confirm their intent to attend the school within four weeks of acceptance by returning certain initial forms, including an Admissions Form and an Official Release of Records Form. The school will send letters to parents reminding them of this obligation in order to enroll their child. The school will send all applicants a postcard to inform parents that if the student does not attend the first day of school or call in to request an excused absence by the date and time indicated, the student will forfeit his/her registered status in the school and will not be enrolled. The school may attempt to call all applicants who have not responded to inquire whether the applicant is still planning to attend.

Once students are enrolled and remain enrolled, they will remain eligible to be re-enrolled at the school for successive years without having to reenter the random selection process. However, they will be requested to complete a re-enrollment form by the end of the Open Enrollment Period showing intent to re-enroll for the subsequent school year. All applicants on a waiting list must resubmit an application for the following school year during the next Open Enrollment Period.

Standby Opportunity Plan

The Standby Opportunity Plan (SOP) is a procedure by which the school may decide to revise its waiting list on the first day of school. If the school follows this procedure, the school will send all applicants on the waiting list a registration card prior to the first day of school. To be included in the SOP, the applicant must return the card to the school by 1:00 p.m. on the first day of school, providing phone numbers where the applicant can be reached the first day of school between the times listed on the card. In the event of an offered seat becoming available, the school will attempt to reach the parent participating in the SOP and offer the seat. If the school cannot reach the parent at the phone numbers and during the times provided on the card, the school will contact the next person on the waiting list who is participating in the SOP. If a student participates in the SOP and a seat is not available for them, they may receive a higher waiting list priority than those students who did not participate.

Random Selection Process

The random selection process shall be open to the public, and the school will notify all applicants of the time and place. A neutral third party person will be present during the random selection process. This person will not be related to any student, staff member, anyone applying to the school, or an NHA employee. Names will be randomly selected until all offered seats have been filled. Any remaining names will be randomly selected to establish waiting list priority used to fill offered seats prior to and during the school year for which the student applied. After all eligible names have been randomly selected, the school will add the names of applicants who submitted applications after the Open Enrollment Period in the order in which they were received. The random selection process will be video recorded. In the event of any discrepancy, the video recording will be the official record of placement of students.

Class Size and Offered Seats

Class size and offered seats will be recommended by NHA and submitted to the school board of directors for approval. In order to make provision for student attrition (reenrolling students who indicate that they are coming back but do not return on the first day of school) and erosion (new students who have been accepted for offered seats but are absent without excuse on the first day of school), the school may over-subscribe grades. The number of students to be over-subscribed will be determined based on historical and forecasted attrition and erosion. In addition, the number of classrooms may fluctuate in the event the number of students enrolled warrants the increase or decrease in number of classrooms. In no event will over-subscription, or fluctuations in the number of classrooms result in a violation of any provision or limit contained within the school's charter or applicable law.

Enrollment Preferences

Enrollment preference is first given to currently enrolled students. Next preference is given to the following ordered categories of applicants:

- Siblings of currently enrolled students
- Siblings of students selected in the random selection process
- All remaining applicants

If permitted by law, other enrollment preferences may be granted. If a student is selected for a grade level that still has offered seats available and the student has a sibling applying for a grade that no longer has offered seats available, the student will be accepted for his/her grade level and the student's sibling will be placed on the waiting list for his/her grade level with sibling preference. Therefore, while sibling preference applies, siblings are not guaranteed a seat.

Procedural Steps

Step 1: Setup

A list with the name of each student who submitted an application during the Open Enrollment Period will be created. The list will include the student's name, birth date, grade level to which the student is applying, street address, and names and grade levels of any siblings who are also applying for admission to the school.

Step 2: Admission of Applicants Applying for Under and Over-Subscribed Grades

A neutral third-party person will perform a random selection of the names of each applicant. Any undersubscribed grades will be considered before the over-subscribed grades in descending order. After all under-subscribed grades have been identified, the order of the over-subscribed grades will be randomly selected. Once the grade order has been established, randomly selected students will be placed in available seats or on the waiting list in the applying grade if an offered seat is not available. If the selected student is accepted and has siblings who are also applying for admission, the siblings will be accepted if there are offered seats available or placed on the waiting list with sibling preference if offered seats are not available. If the selected student is placed on the waiting list and has siblings who are also applying, the siblings' names will not be selected at this time or granted sibling preference, but will wait until their grade level is selected.

Step 3: Waiting List Priority

Students will continue to be randomly selected until all names are selected. After a grade level's seats are full, all remaining names will be placed on the waiting list in the order in which they are selected. Applications received after the Open Enrollment Period will be added to the end of the waiting list for the appropriate grade in the order in which they were received.

When a seat becomes available in a particular grade due to attrition, erosion, or other event, if that particular grade has a waiting list, that available seat will be filled by the first student on the waiting list for that particular grade. If a waiting list does not exist for that particular grade, but exists for another grade, the school may (subject to applicable enrollment limits and board approved offered seats) fill the available seat using the first student on the waiting list in a different grade, the grade deemed most beneficial to student and school considering class size, teacher capacity, and other school operational factors.

Appeals

Any parent or guardian who wishes to contest or appeal any aspect of the random selection process may do so in writing to the school's board of directors sent to the school's address. Following receipt of the parent's written appeal, a representative of the board of directors will contact the parent to discuss the nature of the concern or objection. Final decisions will be made by the board of directors or its designee.

Last revised: February 13, 2012

NATIONAL HERITAGE ACADEMIES HOMELESS CHILD PRACTICES & PROCEDURES

1. PURPOSE

To remove barriers to the enrollment and retention in school of children and youth experiencing homelessness in compliance with the McKinney-Vento Homeless Education Assistance Act (42 USC §11434a[2]) ("McKinney-Vento Act").

2. PRACTICE

The school will adhere to the provisions of the McKinney-Vento Act and applicable state requirements to ensure that all identified Homeless Children and Unaccompanied Youth receive a free and appropriate education and meaningful opportunities to succeed in the school.

Definitions

"Homeless Child" - a child who does not have a fixed, regular, and adequate nighttime residence or whose primary nighttime location is in a public or private shelter designated to provide temporary living accommodations, or a place not designed for, or ordinarily used as regular sleeping accommodations for human beings. This definition includes a child who is:

- sharing the housing of other persons due to loss of housing, economic hardship or similar reason (sometimes referred to as double-up);
- living in motels, hotels, trailer parks, or camping grounds due to the lack of alternative adequate accommodations;
- living in a car, park, public space, abandoned building, substandard housing, bus or train stations or similar settings;
- abandoned in hospitals;
- awaiting foster care placement (eligibility for services for children already placed in foster care should be discussed between the Liaison and the social service provider);
- a migratory child who qualifies as homeless because he or she is living in circumstances described above; or
- an Unaccompanied Youth.

"School of Origin" - the school the child attended when permanently housed or the school in which the child was last enrolled.

"Unaccompanied Youth" - a youth not in the physical custody of a parent or guardian.

3. APPLICABILITY

This document applies to all National Heritage Academies (NHA) schools.

4. **RESPONSIBILITY**

- **4.1** The school principal will designate a local homeless Liaison ("Liaison").
- **4.2** The Liaison will serve as one of the primary contacts between homeless families and school staff, district personnel, shelter workers, state coordinators for Homeless Children, public and private service providers in the community, housing and placement agencies, and other service providers.
- **4.3** The Liaison will:

- Identify and enroll Homeless Children;
- Ensure that Homeless Children and their families receive eligible educational services;
- Make referrals to health, mental health, dental, and other services;
- Inform parents/guardians of educational and related opportunities available to their children;
- Provide parents/guardians with meaningful opportunities to participate in their child's education;
- Inform parents/ guardians and Homeless Children of all transportation services, and assist them in accessing these services;
- Clearly communicate all required information in a form, manner, and language that is understandable;
- Ensure proper mediation of enrollment disputes according to the McKinney-Vento Act and complaint procedures;
- Disseminate public notice of the educational rights of Homeless Children;
- Conduct annual training for school personnel on possible indicators of homelessness, sensitivity in identifying Homeless Children, and procedures for reporting to the Liaison;
- Record *AtSchool* information (See Exhibit 6.1);

5. PROCEDURES

5.1 **Identification**

The burden is on the school to show that the child is not a Homeless Child. The Liaison, in collaboration with school personnel and community organizations, will identify Homeless Children, both in and out of school. Community organizations may include family and youth shelters, soup kitchens, motels, campgrounds, drop-in centers, welfare departments and other social service agencies, street outreach teams, faith-based organizations, truancy and attendance officers, local homeless coalitions, and legal services.

The Liaison must use the Student Residency Questionnaire ("SRQ") (Exhibit 6.2; for Louisiana, see Exhibit 6.3) upon enrollment and clearly describe current living arrangements of the child to determine whether the child meets the definition of a Homeless Child. Upon the receipt of an SRQ indicating potential homelessness, the Liaison will implement these practices and procedures document and ensure adherence with federal, state and NHA requirements.

NOTE: For New York schools only: Upon determination of appropriate school selection, the parent (or Liaison if no parent is available) will complete the New York STAC-202 form (Exhibit 6.4), following the instructions contained therein. Upon receipt of the STAC-202 form, the Liaison will forward the form to the New York Commissioner, Intervention Services at the NHA Service Center, and keep a copy in the school's records.

5.2 **School Selection**

Homeless Children have the right to remain at their School of Origin or to attend any school that houses students who live in the attendance area in which they are actually living.

If the parent/guardian agrees, Homeless Children will remain at their School of Origin to the extent feasible. Homeless Children may remain at their School of Origin the entire time they are in transition and until the end of any academic year in which they become permanently housed. The same applies if they lose their housing between academic years.

Feasibility is a child-centered determination, based on the needs and interests of the particular child and the parent/guardian or child's wishes. Services that are required to be provided,

including transportation and services under federal and other programs, shall not be considered in determining feasibility. Feasibility considerations may include:

- Safety of the child;
- Continuity of instruction;
- Likely area of family or child's future housing;
- Time remaining in the academic year;
- Anticipated length of stay in temporary living situation;
- School placement of siblings; or
- Whether the child has special needs that would render the commute harmful.

5.3 Enrollment

The school selected for enrollment must immediately enroll any Homeless Child. Unaccompanied Youth may either enroll themselves or be enrolled by a parent, non-parent caretaker, older sibling, or the Liaison. Enrollment may not be denied or delayed due to the lack of any document normally required for enrollment, any unpaid school fees, lack of uniforms or clothing that conforms to the school's dress code or any factor related to the child's living situation.

The school will coordinate the transfer of school records with other schools and contact the child's previous school to obtain school records. Initial placement of a child whose records are not immediately available will be made based on the child's age and information gathered from the child, parent, and previous schools or teachers. If no immunization records are available, the school office will refer students to the Liaison to assist with obtaining these records from state registries and/or community based clinics.

The school will excuse any tardiness or absence related to a Homeless Child's living situation when applying any school policy regarding tardiness or absences.

5.4 Services

The school must provide Homeless Children services comparable to services offered to other students in the school, including:

- Transportation;
- Title I;
- Educational services for which the student meets eligibility criteria, including special education and related services and programs for English language learners;
- School nutrition programs (the school will provide free meals to the Homeless Child as all Homeless Children are automatically eligible for free meals);
- Vocational and technical education programs;
- Gifted and talented programs; and
- Before- and after-school programs

Transportation

At a parent/guardian's request, the school will provide transportation to and from the School of Origin. The Liaison will coordinate these arrangements, which may include arrangements with the social service district. The school must provide the transportation for the entire time the child has a right to attend that school, as defined above, including during pending disputes. The length of the commute will only be considered in determining the *feasibility* of placement in the School of Origin based on potential harm to the child. Prior to selection of a school, the Liaison will inform the parent/guardian or Unaccompanied Youth of this right to transportation. Transportation disputes will not result in a Homeless Child missing school. If such a dispute arises, the school will arrange transportation and immediately bring the matter to the attention

of the state authorities following the appropriate complaint procedures as detailed in this document.

Title I

Homeless Children are automatically eligible for Title I services. The school will reserve the necessary funds to provide services comparable to those provided to Title I students attending non-participating schools, including education related support services and removing barriers that prevent attendance. The Liaison and the Title I director at the NHA Service Center will develop the formula (based upon the per-pupil Title I expenditures) to use for determining the necessary funds to reserve.

The Title I director and the Liaison will ensure coordination between the Title I plan and the McKinney-Vento Act, including the academic assessment, reporting and accountability systems required by federal law and the U.S. Department of Education.

Educational Services

The school shall give evaluations of Homeless Children suspected of having a disability priority and coordinate the evaluation with the student's prior and subsequent schools, as necessary, to ensure timely completion of a full evaluation. When necessary, the school will expeditiously designate a surrogate parent for Homeless Children suspected of having a disability. The school will immediately implement the child's Individualized Education Program (IEP), if available, and promptly conduct any necessary IEP meetings or re-evaluations. If complete records are not available, IEP teams will use good judgment in choosing the best course of action, balancing procedural requirements and the provision of services in an attempt to avoid any disruption in services.

5.5 **Complaint and Dispute Resolution**

The following steps and procedures should take place in resolving disputes regarding enrollment, school placement, or services.

Complaint

- A complaint is an oral or written and signed statement alleging the violation of a federal or state law, rule, or, regulation. The complaint must allege a violation that occurred not more than one (1) year prior to the date that the complaint is received, unless a longer period is reasonable because the violation is considered systemic or ongoing.
- Parents, teachers, administrators, or other concerned individuals or organizations may file a complaint ("Complainant"). Faculty and staff with knowledge of a complaint must refer the Complainant to the Liaison.
- The Complainant may submit the complaint in writing to the Liaison, using the attached Complaint Resolution Initiation Form (Exhibit 6.5). The Complainant may choose to initiate the complaint orally.

Role of School

- Immediately enroll the child in the school preferred by the person(s) bringing the complaint.
- Provide all educational services for which the child is eligible, pending resolution of the dispute.

Role of Liaison

- After receipt of the complaint, the Liaison must provide a written explanation of the school placement decision and/or provided services to the Complainant and discuss the complaint with the Complainant. The Liaison must provide a written proposed resolution or a plan of action to the Complainant within five (5) days of receipt of the complaint, or within seven (7) business days of notification of dispute (Georgia only).
- If the Liaison does not resolve the dispute, the Complainant may forward it to the school principal. The Liaison must provide a written resolution to the parties within five (5) days of the discussion with the principal, or within ten (10) business days of the second dispute (Georgia only). The Complainant has a right to obtain assistance from advocates or attorneys in addressing a complaint.
- The Liaison will carry out the dispute resolution in an expeditious manner and will
 provide the Complainant these written procedures, including the appeal procedures
 outlined below.
- In the event the school is unable to resolve the complaint, the Complainant may pursue the applicable appeal procedure(s).

<u>Appeal Procedures – Colorado</u>

If the dispute is not resolved at the school level, the Liaison will assist the Complainant in contacting a mediator from the Colorado Mediator Resource Network (services at no charge to the Complainant) or may direct the Complainant to the Colorado Department of Education (CDE).

Address the complaint to the following address:

 State Coordinator for the Education of Homeless Children and Youth, Colorado Department of Education, State Office Building, 201 East Colfax Avenue, Denver, Colorado 80203-1799.

Use the Colorado Dispute Report Form (Exhibit 6.6) during the appeal process.

The complaint should include:

- the name, address, and telephone number of the person filing the appeal;
- the relationship or connection of the person to the child in question;
- the name and age of the child involved;
- the name of the school and school personnel involved in the complaint;
- the federal requirement alleged to have been violated;
- a description of the situation that prompted the complaint;
- a description of the attempts that were made to solve the issue; and
- the relief the person is seeking.

If the State Coordinator is unable to resolve the complaint within 15 business days, the Complainant may file a written complaint to the State Coordinator who, with a team, will review the complaint with the mandates of the Title X law. Within 15 days of receipt of the complaint, the Coordinator will issue a written decision to the parties via mail.

<u>Appeal Procedures – Georgia</u>

If the dispute is not resolved at the school level, the Complainant may direct the complaint to the Georgia Department of Education state homeless coordinator. The Liaison may assist the Complainant in contacting the Department.

Address the complaint to the following address:

• Program Consultant, Homeless Education Program, Georgia Department of Education, 1866 Twin Towers East, 205 Jesse Hill, Jr. Drive, SE, Atlanta, Georgia 30334.

Appeal Procedures – Indiana

If the dispute is not resolved at the school level, the Complainant may direct the complaint to the Indiana Department of Education (IDOE). Complaints made under this process must be in writing and signed by the Complainant.

If the complaint involves enrollment or school placement of homeless children, address the complaint to the following address:

• State Board Liaison; Indiana Department of Education; Room 299, State House; Indianapolis, Indiana 46204.

If the complaint involves comparable services offered to homeless children, address the complaint to the following address:

• Director of the Division of Educational Options; Indiana Department of Education; Room 299, State House; Indianapolis, Indiana 46204.

The complaint should include:

- the name, address, and telephone number of the person filing the appeal;
- the relationship or connection of the person to the child in question;
- the name and age of the child involved;
- the name of the school and school personnel involved in the complaint;
- the federal requirement alleged to have been violated;
- a description of the situation that prompted the complaint;
- a description of the attempts that were made to solve the issue; and
- the relief the person is seeking.

The IDOE will issue a letter of acknowledgement to the Complainant and the Liaison containing the IDOE's commitment to issue a resolution in the form of a *Letter of Findings*.

An IDOE complaint investigator will review all relevant information and issue the *Letter of Findings* to the Complainant.

If the complaint involves enrollment or school placement, a hearing shall be held with each interested party given at least 10 days notice of the hearing. Any interested party may appear at the hearing in person or by counsel, present evidence, cross-examine witnesses, and present in writing or rally summary statements of position. The Indiana State Board of Education or a hearing examiner may conduct the hearing at any place in Indiana.

The determination of the IDOE or Indiana State Board of Education as a result of the proceedings described above is final and binding on the parties to the proceedings.

Appeal Procedures – Louisiana

If the dispute is not resolved at the school level, the Liaison will assist the Complainant in contacting the local (EBR) Liaison for assistance with the appeal process. In the event the dispute is not resolved at the (EBR) Liaison level, the Complainant may contact the State Coordinator to hear an appeal of the Local (EBR) Liaison's decision.

Address the complaint to the following address:

 State Coordinator – Homeless Education, Louisiana Department of Education, Office of School & Community Support, P.O. Box 94064, Baton Rouge, Louisiana 70804.

The DOE will acknowledge receipt of the complaint in writing to the Complainant and provide written resolution of the complaint within 60 days of the date the DOE receives the complaint. The decision will include the Complainants right to request the Secretary of the U.S. Department of Education to review the final decision of the DOE, at the Secretary's discretion.

<u>Appeal Procedures – Michigan</u>

If the dispute is not resolved at the school level, the Complainant may direct the complaint to the Michigan Department of Education. Complaints made under this process must be in writing and signed by the Complainant.

Address the complaint to the following address:

• State Homeless Coordinator, Office of Field Services, Michigan Department of Education, P.O. Box 30008, Lansing, MI 48909.

The complaint should include:

- the name, address, and telephone number of the person filing the appeal;
- the relationship or connection of the person to the child in question;
- the name and age of the child involved;
- the name of the school and school personnel involved in the complaint;
- the federal requirement alleged to have been violated;
- a description of the situation that prompted the complaint;
- a description of the attempts that were made to solve the issue; and
- the relief the person is seeking.

The State Homeless Coordinator will gather needed information from statements of the parties involved and will forward the information to the Director of the Office of Field Services along with a recommendation of resolution or for further investigation.

Within 30 days after receiving a complaint, the Director of the Office of Field Services will recommend a resolution and will inform interested parties in writing of the decision.

If a Complainant or one of the parties involved in the complaint disagrees with the decision, that party may, within 10 working days, appeal to the Deputy Superintendent. This appeal must be in writing and state why the party disagrees with the decision of the Director of the Office of Field Services.

Within 30 days after receiving an appeal, the Deputy Superintendent will render a final administrative decision and notify the Complainant and the school in writing.

If the party disagrees with the decision of the Deputy Superintendent, the party may request a review of the decision by the United States Secretary of Education in accordance with 34 CFR Part 299.11.

Appeal Procedures – North Carolina

If the dispute is not resolved at the school level, the Complainant may direct the complaint, orally or written, to the North Carolina Department of Public Instruction.

Address the complaint to the following address:

• State Homeless Coordinator, Homeless Education & Rural Education Achievement Program Consultant, Compensatory Education, NC Department of Public Instruction, 6351 Mail Service Center, Raleigh, NC 27699-6351.

The complaint should include:

- the name, address, and telephone number of the person filing the appeal;
- the relationship or connection of the person to the child in question;
- the name and age of the child involved;
- the name of the school and school personnel involved in the complaint;
- the federal requirement alleged to have been violated;
- a description of the situation that prompted the complaint;
- a description of the attempts that were made to solve the issue; and
- the relief the person is seeking.

The Liaison will provide the State Homeless Coordinator with any information that the State Homeless Coordinator requests regarding the issues presented in the appeal.

The State Homeless Coordinator will provide the school and the Complainant the opportunity to respond to any decision made and to provide any additional evidence the Complainant deems relevant.

Within 10 schools days following receipt of the appeal, the State Coordinator shall issue a final written decision to the school and the Complainant .

Appeal Procedures - New York

If the dispute is not resolved at the school level, the Liaison will assist the Complainant in contacting the Commissioner, completing the New York Form Petition (Exhibit 6.7), and providing copies of the form and supporting documentation at no cost to the Complainant.

The Liaison will provide the Complainant an acknowledgement of receipt of the Form Petition and will transmit the Form Petition and related documents on behalf of the Complainant to the Office of Counsel, New York State Education Department, State Education Building, Albany, New York 12234 within five days of receipt.

If a stay request is made on the Form Petition and the Commissioner grants a stay order, the Homeless Child may continue attending the school until the Commissioner issues an appeal decision. If the Commissioner denies the stay request, the Homeless Child can be asked by the principal to leave the school immediately.

If the Commissioner sustains the appeal of the Complainant, the Homeless Child can continue attending the school. However, if the Commissioner dismisses the appeal, the Homeless Child can be asked by the principal to leave the school immediately.

<u>Appeal Procedures – Ohio</u>

If the dispute is not resolved at the school level, the Complainant may direct the complaint to the Ohio Department of Education. Complaints made under this process must be in writing and signed by the Complainant.

Address the complaint to the following address:

 Homeless Education Coordinator, Ohio Department of Education, 25 S. Front Street, Mail Stop 404, Columbus, Ohio 43215. The complaint should include:

- the name, address, and telephone number of the person filing the appeal;
- the relationship or connection of the person to the child in question;
- the name and age of the child involved;
- the name of the school and school personnel involved in the complaint;
- the federal requirement alleged to have been violated;
- a description of the situation that prompted the complaint;
- a description of the attempts that were made to solve the issue; and
- the relief the person is seeking.

The Homeless Education Coordinator will recommend a decision to the Complainant and the Liaison. If unresolved, the Complainant may file a final appeal to the State Superintendent of Public Instruction for review and disposition.

Appeal Procedures – Wisconsin

If the dispute is not resolved at the school level, the Complainant may direct the complaint to the State Superintendent of Publid Instruction, in accordance with the Wisconsin Department of Public Instruction Complaint Resolution and Appeals Process, Chapter PI 1.

Address the complaint to the following address:

• State Superintendent of Public Instruction, P.O. Box 7841, Madison, WI, 53707-7841.

The complaint should include:

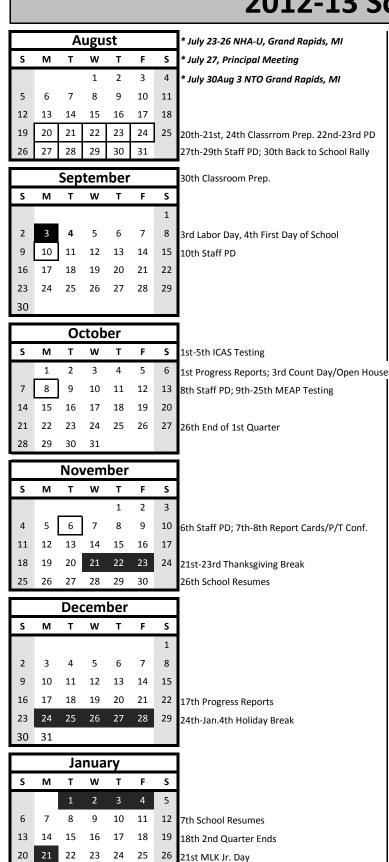
- the name, address, and telephone number of the person filing the appeal;
- the relationship or connection of the person to the child in question;
- the name and age of the child involved;
- the name of the school and school personnel involved in the complaint;
- the federal requirement alleged to have been violated;
- a description of the situation that prompted the complaint;
- a description of the attempts that were made to solve the issue; and
- the relief the person is seeking.

6. EXHIBITS

- 6.1 AtSchool Homeless Procedures
- 6.2 Student Residency Questionnaire
- 6.3 Louisiana Residency Questionnaire
- 6.4 New York STAC-202 Form
- 6.5 Complaint Resolution Initiation Form
- 6.6 Colorado Dispute Report Form
- 6.7 New York Form Petition

SCHEDULE 7-6 SCHOOL CALENDAR AND SCHOOL DAY SCHEDULE

Detroit Enterprise Academy 2012-13 School Year



	February									
	S M T W T F									
						1	2			
12th 100th Day of School	3	4	5	6	7	8	9			
13th Count Day	10	11	12	13	14	15	16			
15th-18th Mid Winter Break	17	18	19	20	21	22	23			
19th Staff Prof. Dev.	24	25	26	27	28					

	March										
	S	М	T	W	T	F	S				
						1	2				
4th Progess Reports	3	4	5	6	7	8	9				
12th-15th ACT Explore	10	11	12	13	14	15	16				
	17	18	19	20	21	22	23				
28th 3rd Quarter ends	24	25	26	27	28	29	30				
th-April 5th Spring Break	31										

Anril

May

June

	Aprii							
	S	М	T	W	T	F	S	
		1	2	3	4	5	6	
8th School Resumes	7	8	9	10	11	12	13	
	14	15	16	17	18	19	20	
17th-18th Report Cards,P/T Conferences	21	22	23	24	25	26	27	
	28	29	30					

29

	10164								
	S	М	T	W	Т	F	S		
				1	2	3	4		
	5	6	7	8	9	10	11		
13th Progress Reports	12	13	14	15	16	17	18		
24th-27th Memorial Day Break	19	20	21	22	23	24	25		
	26	27	28	29	30	31			

	S	М	T	W	Т	F	S
							1
	2	3	4	5	6	7	8
4th Report Cards/Last Day of School	9	10	11	12	13	14	15
17th-18th Staff Work Day	16	17	18	19	20	21	22
	23	24	25	26	27	28	29
	30,	ıl					

	July									
	S	М	Т	W	Т	F	S			
4th Independence Day		1	2	3	4	5	6			
	7	8	9	10	11	12	13			
	14	15	16	17	18	19	20			
	21	22	23	24	25	26	27			
	28	29	30	31						

Students <u>Do Not</u> Report/ Staff Report All Day Students Report <u>Half Day</u>/ Staff Report All Day Students/ Staff <u>Do Not</u> Report

28th Report Cards

Last Update: 4/30/2012

176 School Days 8:00am - 3:35pm School Hours

None (half)

Board Approved: 5/1/12

30 31

	<i>7A</i>	7B	7C	8A	8B	8C
		ELA	Math			
9:30a-10:20a	Math (Tomini)	(Washington)	(Tomlinson)	ELA (McCord)	PhyEd	Media
10:25a-10:30a						
		ELA	Math			
10:30a-11:20a	Math (Tomini)	(Washington)	(Tomlinson)	ELA (McCord)	SocSt	Sci
	ELA	Math				
11:25a-12:15p	(Washington)	(Tomlinson)	Sci	SocSt	Math (Tomini)	ELA (McCord)
12:20p-12:50p	Lunch	Lunch	Lunch	Lunch	Lunch	Lunch
	ELA	Math				
12:55p-1:45p	(Washington)	(Tomlinson)	SocSt	Sci	Math (Tomini)	ELA (McCord)
			ELA	Math		
1:50p-2:40p	Sci	SocSt	(Washington)	(Tomlinson)	ELA (McCord)	Math (Tomini
			ELA	Math		
2:45p-3:35p	SocSt	Sci	(Washington)	(Tomlinson)	ELA (McCord)	Math (Tomini

	7A	7B	7C	8A	8B	8C	
	Homeroom/M	Homeroom/M	Homeroom/M		Homeroom/M		
	orning	orning	orning	Homeroom/Mo	orning	Homeroom/Mo	
8:00a-8:30a	Meeting	Meeting	Meeting	rning Meeting	Meeting	rning Meeting	Hour
	Spec	Spec					
8:35a-9:25a	Rotation	Rotation	Spec Rotation	Spec Rotation	ļ 	Spec Rotation	
Monday	Art	Media	Language	PhyEd	Music	BsLd	
Tuesday	Media	Language	PhyEd	Music	BsLd	Art	
						SS	
Wednesday	Language	PhyEd	Music	Media	Art	(2nd Hr Media)	
Thursday	PhyEd	Music	Art	BsLd	Media	Language	
					Sci	51.51	
Friday	Music	Art	Media	Language	(PE 2nd Hr)	PhyEd	
9:30a-10:20a	Tomini	Washington	Tomlinson	McCord	Maranav	Krinke	Hour
9:300-10:200	TOMINI	vvasnington	TOMINSON	IVICCOTA	Moroney	Krinke	
10:25a-10:30a	Tomini	Washington	Tomlinson	McCord			
		- True migrem					
10:30a-11:20a	Tomini	Washington	Tomlinson	McCord	Nazimek	Sam	
11:25a-12:15p	Washington	Tomlinson	Sam	Nazimek	Tomini	McCord	<u>Hour</u>
12:20- 12:50-	Lumah	Lumah	Lumala	Lundh	Lunale	Lundh	
12:20p-12:50p	Lunch	Lunch	Lunch	Lunch	Lunch	Lunch	
12:55p-1:45p	Washington	Tomlinson	Sam	Nazimek	Tomini	McCord	
1:50p-2:40p	Sam	Nazimek	Washington	Tomlinson	McCord	Tomini	Hour
2:45p-3:35p	Nazimek	Sam	Washington	Tomlinson	McCord	Tomini	
				Lunch	K 10:30a-11:00	a	
					1 10:40a-11:10	a	
					2 10:50a-11:20	a	
					3 11:00a-11:30	a	
					4 11:10a-11:40	a	
Dismissal	K-3	3:15p			5 11:20a- 11:50a		
Dismissal	4_6	3:25p			6 12:00a-12:30p		
Dismissal	7_8	3:35p			7 12:20a 12:50		
					8 12:20p-12:50	p	

		8:35a-	9:30a-	10:25a-	11:20a-	12:35p-	1:20p-	2:05p-	2:45p-
2011-2012		9:25a	10:20a	11:15a	12:05p	1:15p	2:00p	2:45p	3:25p
Classroom	Day	l	II	III	IV	٧.	VI.	VII	VIII
Art	М	7A	6C		KA		2C	3C	4B
K-8	Т	8C		5C	KC	1C		3B	
	W	8B	6A			1A	2A	3A	
	R	7C		5A	KB				4C
	F	7B	6B	5B		1B	2B		4A
PhyEd	М	8A		5A		1B	2B		4A
K-8	Т	7C	6B	5B	KA		2C	3C	4B
	W	7B	6C	5C	KC	1C		3B	
	R	7A	6A			1A	2A	3A	
	F	8C	(8B)		KB				4C
Music	М	8B		5C	KB				4C
K-8	Т	8A				1B	2B		4A
	W	7C	6B	5B	KA		2C	3C	4B
	R	7B	6C		KC	1C		3B	
	F	7A	6A	5A		1A	2A	3A	
Media	М	7B	6B	5A		1A	2A	3A	
K-8	Т	7A	6A		KB				4C
	W	8A	(8C)			1B	2B		4A
	R	8C		5B	KA		2C	3C	4B
	F	7C	6C	5C	KC	1C		3B	
Language	M	7C	6A		KC	1C		3B	
K-8	Т	7B	6C	5B		1A	2A	3A	
	W	7A		5A	KB				4C
	R	8C	6B	5C		1B	2B		4A
	F	8A			KA		2C	3C	4B
BsLd	M	8C							
8th	Т	8B							
	W								
	R								
	F	8A							

Detroit Enterprise Academy

Dismissal: K-3/3:15p Dismissal: 4-6/3:25p Dismissal: 7-8/3:35p

Гime	Grade:Kdgn	<u>Time</u>	Grade: 1st	Time	Grade: 2nd	Time	Grade: 3rd	Time	Grade: 4th	Time	Grade: 5th	Time	Grade: 6th
8:00a	HR	8:00a	HR	8:00a	HR	8:00a	HR	8:00a	HR	8:00a	HR	8:00a	HR
8:35a	Moral Focus	8:35a	Moral Focus	8:35a	Moral Focus	8:35a	Moral Focus	8:35a	Moral Focus	8:35a	Moral Focus	8:35a	Moral Focus
8:35a		8:35a		8:35a		8:35a		8:35:a		8:35a		8:35a	
9:55a	ELA	10:05a	ELA	10:05a	ELA	10:05a	ELA	10:05a	ELA	10:20a	ELA	9:25a	ELA
10:00a	ELA	10:05a	ELA	10:05a	ELA	10:05a	ELA	10:05a	ELA	10:25a		9:30a	
10:25a	Workshop	10:35a	Workshop	10:45a	Workshop	10:55 a	Workshop	11:05a	Workshop	11:15a	Special	10:20a	Special
10:30a		10:40a		10:50a		11:00a		11:10a		11:20a		10:25a	
11:00a	Lunch	11:10a	Lunch	11:20a	Lunch	11:30a	Lunch	11:40a	Lunch	11:50a	Lunch	11:15a	Workshop
11:20a		11:15a	Math	11:25a	Math	11:35a		11:45a		11:55a	ELA	11:15a	
12:05p	Special	11:45a	Workshop	11:55a	Workshop	12:15p	Science	12:35p	Math	12:35p	Workshop	11:55a	Soc St
12:10p		11:45a		11:55a		12:15p		12:35p	Math	12:35p		12:oop	
12:50p	Math	12:30p	Soc St	12:35p	Math	1:05p	Math	1:05p	Workshop	1:15p	Math	12:30p	Lunch
12:55p	Math	12:35p		12:35p		1:05p		1:05p		1:15p	Math	12:35p	
1:25p	Workshop	1:15p	Special	1:15p	Science	2:00p	Soc St	1:45p	Science	1:45p	Workshop	1:35p	Science
1:35p		1:20p		1:20p		2:05p		1:45p		1:45p		1:35p	
2:15p	Science	2:20p	Math	2:00p	Special	2:00p	Special	2:40p	Soc St	2:35p	Science	2:35p	Math
2:20p		2:20p		2:05p		2:50p	Math	2:45p		2:35p		2:35p	Math
3:05p	Soc St	3:10p	Science	3:05p	Science	3:10p	Workshop	3:25p	Special	3:20p	Soc St	3:25p	Workshop

Classroom	Time/Hour	Monday	Tuesday	Wednesday	Thursday	Friday
KA	11:20a-12:05p	Art	PE	Music	Media	Lang
КВ	4th Hour	Music	Media	Lang	Art	PE
KC		Lang	Art	PE	Music	Media
1A	12:35p-1:15p	Media	Lang	Art	PE	Music
1B	5th Hour	PE	Music	Media	Lang	Art
1C		Lang	Art	PE	Music	Media
2A	1:20p-2:00p	Media	Lang	Art	PE	Music
2B	6th Hour	PE	Music	Media	Lang	Art
2C		Art	PE	Music	Media	Lang
3A	2:05p-2:45p	Media	Lang	Art	PE	Music
3B	7th Hour	Lang	Art	PE	Music	Media
3C		Art	PE	Music	Media	Lang
4A	2:45p-3:25p	PE	Music	Media	Lang	Art
4B	8th Hour	Art	PE	Music	Media	Lang
4C		Music	Media	Lang	Art	PE
5A	10:25a-11:15a	PE	Media	Lang	Art	Music
5B	3rd Hour	Lang	PE	Music	Media	Art
5C		Music	Art	PE	Lang	Media
6A	9:30a-10:20a	Lang	Media	Art	PE	Music
6B	2nd Hour	Media	PE	Music	Lang	Art
6C		Art	Lang	PE	Music	Media
Special's Pre	p Schedule					
Art	K-8					
Media	K-8					
PhyEd	K-8					
Music	K-8					
Language	K-8					
Lunch	K 10:30a-11:00a					
	1 10:40a-11:10a					
	2 10:50a-11:20a					_
	3 11:00a-11:30a					
	4 11:10a-11:40a					
	5 11:20a- 11:50a					
	6 12:00a-12:30p					
	7 12:20a 12:50p					
	8 12:20p-12:50p					

Dismissal: K-3/3:15p Dismissal: 4-6/3:25p Dismissal: 7-8/3:35p

SCHEDULE 7-7

AGE/GRADE RANGE OF PUPILS ENROLLED

Schedule 7-7 Age or Grade Range of Pupils

The Academy may 6	enroll age-appropriate	students in Kindergarten	through Eighth Grade.
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SCHEDULE 7-8

ADDRESS AND DESCRIPTION OF PROPOSED PHYSICAL PLANT; LEASE OR DEED FOR PROPOSED SITE; OCCUPANCY CERTIFICATE

Schedule 7-8 Description of Physical Plant

Detroit Enterprise Academy is a masonry building that first existed as a Catholic Parochial School. A 2 story addition including a gymnasium was constructed to meet the school's educational needs. The building is air conditioned by a roof top unit system, has a membrane roof system and a brick façade.

LEASE

THIS LEASE is entered into the 3rd day of March, 2011, to be effective July 1, 2011, by and between NATIONAL HERITAGE ACADEMIES, INC., a Michigan corporation, of 3850 Broadmoor S.E., Ste. 201, Grand Rapids, Michigan 49512 ("Landlord"), and DETROIT ENTERPRISE ACADEMY, a public school chartered under the laws of the State of Michigan, having an address of 11224 Kercheval Street, Detroit, Michigan ("Tenant") (the "Lease").

RECITALS

- A. Landlord, as tenant, and Charter Development Company, L.L.C., as landlord entered into a lease of the Premises, defined in Section 1.1, pursuant to a lease effective January 1, 1999 (the "Master Lease"), as amended.
 - B. Tenant desires to sublease the Premises on the terms set forth in this Lease.

NOW, THEREFORE, in consideration of the mutual covenants set forth in this Lease, Landlord and Tenant agree as follows:

ARTICLE 1

Premises.

- 1.1 Landlord hereby leases to the Tenant, on the terms and conditions hereinafter set forth, the real estate located in the City of Detroit, Wayne County, Michigan, described on Exhibit "A" attached hereto, and all improvements located thereon (hereinafter referred to as the "Premises"). This Lease is subordinate to the Master Lease. Tenant covenants that it shall not through its negligent, intentional or wrongful acts or omissions cause a breach or default on the part of Landlord under the terms of the Master Lease. Landlord represents and warrants that the terms of this Lease are not inconsistent with the terms of the Master Lease, and Tenant's compliance with the terms of this Lease will not constitute a breach of the terms of the Master Lease. Landlord and Tenant each hereby indemnify the other party against all liability, judgments, costs, damages, claims, costs and expenses, including, without limitation, reasonable attorneys' fees arising out of or relating to such indemnifying party's breach of the foregoing provision.
- 1.2 Landlord acknowledges and agrees that in the event of Landlord's default under the terms of the Master Lease which results in the termination of the Master Lease and the assignment or transfer of the Landlord's interest in this Lease to the landlord under the Master Lease (the "Master Landlord"), Tenant shall not be in default under this Lease solely by reason of such assignment of this Lease to Master Landlord. Upon notice of assignment of this Lease to Master Landlord as its landlord under this Lease and pay all rent and other charges under this Lease to Master Landlord; provided, Master Landlord will not be liable to Tenant under this Lease for any period prior to the assignment and Tenant shall

not be liable to Master Landlord for any amounts due under the Master Lease prior to such assignment. Landlord releases Tenant from any liability for the payment of rent and other charges under this Lease directly to Master Landlord pursuant to an assignment of this Lease to Master Landlord under the terms of the Master Lease. Notwithstanding the foregoing, Tenant's possession of the Premises under this Lease shall not be disturbed by the Master Landlord unless Tenant breaches any of the provisions of this Lease and Tenant's right to possession is lawfully terminated.

even or similar date hereto entered into by and between Landlord and Tenant, Landlord has contractually agreed to manage and operate the Premises and the charter school that operates on the Premises, and Landlord is contractually obligated to fulfill certain obligations that are the obligations of the Tenant under the terms of this Lease (the "Obligations"). In the event that the Landlord fails to timely perform or fulfill the Obligations and said failure is not otherwise excused by the terms of the Management Agreement, nor is Landlord's failure due to the fault of the Tenant, then said failure shall not be deemed to be a default by Tenant under the terms of this Lease. This provision shall automatically lapse upon termination of this Lease for any reason, including expiration without a renewal, of the Management Agreement.

ARTICLE 2

Term.

2.1 The term of this Lease shall commence on July 1, 2011 and shall terminate effective June 30, 2012 (the "Initial Term"), unless sooner terminated as hereinafter set forth. Provided that Tenant is not then in default under this Lease, the Management Agreement, or Charter (as defined in Section 13.1.E. below), and this Lease, the Management Agreement and the Charter are still in full force and effect, then, subject to the provisions below, this Lease shall be automatically renewed for successive one year terms after the expiration of the Initial Term. Each such renewal term shall be upon the same terms and conditions as contained herein. If either party, in its sole discretion, does not wish to renew this Lease for any successive term, it must provide the other party with written notice of non-renewal at least one hundred eighty (180) days prior to the expiration of the Lease term then in effect.

ARTICLE 3

Rental.

3.1 The Tenant hereby leases said Premises for the Term above stated and agrees to pay Landlord annual rent of Nine Hundred Sixty Four Hundred Eighty and No/100 Dollars (\$960,480.00), in equal monthly installments of Eighty Thousand Forty and 00/100 Dollars (\$80,040.00) each in advance on the first day of each month beginning on July 1, 2011.

- 3.2 All rent shall be paid to the Landlord at Landlord's address as set forth above, or at such other address as the Landlord may designate in writing.
- 3.3 This is a net lease and the annual rent and all other sums payable hereunder by Tenant shall be paid without setoff, counterclaim, recoupment, abatement, suspension, or deduction, except as expressly provided for herein.
- This Lease shall not terminate, nor shall Tenant have any right to terminate this Lease during the Term hereof (except as otherwise expressly provided herein), nor shall Tenant be entitled to any abatement, deduction, deferment or reduction of rent hereunder (except as otherwise expressly provided herein), nor shall the obligations of Tenant under this Lease be affected by any interference with the Tenant's use of the Premises unless caused by Landlord or Master Landlord. It is the intention of the parties hereto that the obligations of Tenant hereunder shall be separate and that the rent and all other sums payable by Tenant hereunder shall continue to be payable in all events and that the obligations of Tenant hereunder shall continue unaffected, unless the requirement to pay or perform the same shall have been terminated pursuant to an express provision of this Lease.
- 3.5 Capital Improvements. In the event Landlord makes capital improvements to the Premises, or acquires additional property for the benefit or use of Tenant (with such capital improvements and property being subject to the written consent of Tenant if and to the extent that the cumulative costs thereof exceed Two-Hundred and Fifty Thousand Dollars (\$250,000) during any Lease Term, which consent shall not be unreasonably withheld), then the rent paid by Tenant shall be promptly adjusted to compensate Landlord for its additional economic investment.

Use, Occupancy And Purpose

- 4.1 Tenant shall use the Premises solely for operating a publicly chartered school or academy for grades kindergarten through 8th grade, and for ancillary or directly related uses and any other use approved by the Landlord. Tenant shall not use or allow the use of the Premises for any unlawful purpose, nor shall Tenant allow the Premises to be used in violation of any public ordinance, rule or regulation, or in violation of any certificate of occupancy or certificate of compliance covering or affecting the Premises, or any part thereof. Tenant shall not suffer any act to be done or any condition to exist on the Premises or any part thereof which may in law constitute a nuisance, public or private, or which may make void or voidable any insurance with respect thereto.
- 4.2 Tenant shall not commit any waste, damage, or injury of or to the Premises or the fixtures or any part thereof and shall take all reasonable precautions and actions to prevent others from committing any of the foregoing.

- 4.3 A. For purposes of this Section 4.3, the "Reserved Periods" means:
- (i) the period in between the last day of school for the current school year and the first day of school for the subsequent school year; and
- (ii) the period in which school is not in session in the spring semester of each school year; and
- (iii) the period in which school is not in session over Christmas and New Year holidays.
- (v) the periods before and after the regular school day excluding events that the school may hold for student or parent activities.
- B. Landlord reserves the use of the Premises during the Reserved Periods except to the extent Tenant is required to use the Premises pursuant to applicable law or Tenant has obtained the prior written consent of Landlord for the use of the Premises by Tenant during the Reserved Periods.
- C. Reserved Periods shall be used by Landlord for purposes of performing maintenance, repairs, restoration and construction or for any and all programs ancillary to supporting the education program or in order to support Landlord's obligations contained in the Management Agreement.
- D. Notwithstanding the terms of Section 4.3(B) hereof to the contrary, Tenant, with the reasonable and prompt consent of Landlord, may access the gymnasium or such other areas of the school (including the playground adjacent thereto) not deemed offices, classrooms, libraries or other areas used for academic or educational instruction for use in connection with extra-curricular activities or programs or community/parent meetings.

Use Restrictions. Tenant represents and warrants to Landlord that during the Term of this Lease, no part of the Premises may be used for any of the following: the operation of any (i) private or commercial golf course, (ii) country club, (iii) massage parlor, hot tub facility, or suntan facility (iv) race track or other facility used for gambling, or (v) store the principal business of which is the sale of alcoholic beverages for consumption off premises; or the rental to others of residential property (defined in Section 168(e)(2)(A) of the IRS Code). Notwithstanding anything contained in this Lease to the contrary, in the event of a breach of any of the representation(s) and/or warranties contained in this Section 4.4, Landlord may immediately terminate this Lease by written notice to Tenant.

Utilities/Services

- 5.1 Charges for utilities, including without limitation gas, electricity, light, heat, water, sewage and telephone or other communication services, shall be paid by Tenant.
- 5.2 Tenant shall have the right to use the utility services which are presently existing on the Premises. Landlord shall not be required to furnish any service to the Premises, including but not limited to heat, water and electricity. The Landlord shall not be liable for any failure of water supply or electric current or any service by any utility, for injury to persons, including death, or damage to property resulting from steam, gas, electricity, water, rain or snow which may flow or leak from any part of the Premises or from any pipes, appliances or plumbing works from the street or subsurface or from any other place, or for interference with light or other easements, however caused, except if due to the affirmative negligence of the Landlord.
- 5.3 If the existing services are required to be modified or replaced for any reason by any utility company or authorized agency, governmental or otherwise, then Tenant shall comply with the same at its own cost and shall save Landlord harmless therefrom.
- 5.4 Except as otherwise expressly provided in this Lease, Landlord shall have no obligation to provide any services to Tenant with respect to the Premises.

ARTICLE 6

Taxes

- 6.1 The Tenant agrees to pay prior to the penalty date all taxes and special assessments and other similar charges (except income and other taxes assessed against or by reason of Landlord's reversionary interest in or income from the Premises) which shall be levied on or assessed against the Premises during the Lease Term, and to save the Landlord harmless from the payment thereof. Taxes for the first and last year of the Lease Term or any extension or renewal thereof shall be prorated on the basis of the fiscal period for which such tax is assessed. Notwithstanding the foregoing, Tenant shall be liable for and pay, or reimburse Landlord the full amount of real estate taxes and assessments billed by the state, county and/or city during the Lease Term. Tenant may in good faith and at its own expense contest the imposition and collection of any tax or assessment, in the Landlord's name, if necessary, and during the period of such contest Tenant shall not be deemed to be in default hereunder for failure to pay such contested amount.
- 6.2 If at any time after any tax, assessment or similar charge so charged or assessed against said Premises shall become due or payable and Tenant shall neglect or fail to pay the same, Landlord may pay the same at any time thereafter, and the amount of any and all such payments so made by Landlord shall be and is hereby declared to be so much additional and further rent for Premises due from and payable by Tenant, with the next installment of rent due thereunder.

- 6.3 At the termination of this Lease by lapse of time or otherwise, all taxes due and payable by Tenant under the provisions of this Article 6 shall be paid by Tenant including any unpaid installments of special assessments levied during the Term of this Lease.
- 6.4 Upon demand of Landlord, Tenant shall pay in addition to each monthly payment of rent to be paid hereunder, a sum equivalent to one-twelfth of the amount estimated by Landlord to be sufficient to enable Landlord to pay at least thirty (30) days before they become due, all such taxes, assessments and other charges. Such additional payments may be commingled with the general funds of Landlord and no interest shall be payable in respect thereof. Notwithstanding the foregoing, Landlord shall pay the full amount of taxes, assessments and other charges when due. Upon demand by Landlord, Tenant will deliver and pay over to Landlord such additional sums as are necessary to make up any deficiency in the amount necessary to enable Landlord to fully pay such taxes, assessments and other charges.
- 6.5 In the event that the City, County, State, or any other political subdivision within which the premises are located shall, prior to or during the Term of this Lease, impose upon the Landlord any tax or other governmental charge ("Non-Real Property Tax") in lieu of all or any part of the taxes which, prior to such imposition, were assessed or levied against the building and/or the land upon which the building is located ("Real Property Tax"), such Non-Real Property Tax shall, for purposes of this paragraph, be treated as if it were a Real Property Tax.
- 6.6 Upon demand of Landlord within ninety (90) days after the date any tax, charge, assessment or imposition referred to in this Article 6 is payable by Tenant, Tenant shall provide to Landlord official receipts of the appropriate taxing authority or other proof satisfactory to Landlord of the payment of such tax, charge, assessment, or imposition.

Fire Insurance And Destruction Of Building

- 7.1 Tenant will cause to be maintained policies of fire and extended coverage insurance on all buildings, structures, fixtures and improvements now or hereafter situated on the Premises and all other property leased hereunder in their full replacement cost. Such policies shall have no greater than eighty (80%) percent co-insurance provision and shall contain the standard "agreed amount" clause for evaluating replacement cost. Such policies shall name Tenant, Landlord, other parties designated by Landlord and the first mortgagee as their interests may appear as insureds and such insurance shall be carried by an insurance company or companies approved by Landlord and the first mortgagee. Duplicate original copies of said policies shall be delivered to Landlord and the first mortgagee. Notwithstanding the aforesaid, in no event shall the manner, forms, companies, sums or length of terms be less than that required by the first mortgagee according to the terms and provisions of said first mortgage.
- 7.2 Each such policy shall include: (i) a standard mortgage clause in favor of the first mortgagee; (ii) a provision to the effect that the waiver of subrogation rights by the insured does

not void the coverage; (iii) a provision that the policy shall not be changed or canceled without at least thirty (30) days' prior written notice to the Landlord and the first mortgagee; and (iv) a provision that any forfeiture of the policy due to an act of the Tenant shall not affect the validity insofar as the Landlord or the first mortgagee are concerned.

- 7.3 From time to time as required by Landlord or the first mortgagee, Tenant at its expense, shall obtain from an engineer or appraiser, in the regular employ of the insurer, or an appraiser, engineer, architect or contractor designated by Tenant and approved by Landlord and the insurer, such evidence as may be required by such insurer to maintain the "agreed amount" clause eliminating the possibility of any co-insurance penalty.
- 7.4 If Tenant shall refuse or fail to so insure and keep insured said buildings, structures and improvements and all other property leased hereunder and to keep such policies in Landlord's and first mortgagee's possession, Landlord may at its election procure and from time to time renew such insurance, and the amounts expended therefore shall be additional rent due from Tenant with the next installment of rent accruing hereunder and may be collected in the same manner as though rent due hereunder.
- 7.5 Upon demand of Landlord, Tenant shall pay in advance, in addition to each monthly payment of rent to be paid hereunder, a sum equivalent to one-twelfth of the amount estimated by Landlord to be sufficient to enable Landlord to pay at least thirty (30) days before they become due all insurance premiums on all policies of insurance required hereunder. Such additional payments may be commingled with the general funds of Landlord and no interest shall be payable in respect thereof. Upon demand by Landlord, Tenant will deliver and pay over to Landlord such additional sums as are necessary to make any deficiency in the amount necessary to enable Landlord to fully pay such premiums.
- 7.5 Landlord shall have no liability for damage to or loss of personal property located upon the Premises, unless and to the extent caused by Landlord.

ARTICLE 8

Restoration

8.1 In case of any damage to or destruction of the Premises or any part thereof, or to any other property hereunder, Tenant shall give immediate written notice thereof to Landlord and the first mortgagee. Landlord, at its sole option, may by written notice to Tenant given not less than one hundred twenty (120) days prior to the date of termination, terminate this Lease if: (i) the cost to repair or replace such damage or destruction exceeds One-Hundred Thousand Dollars (\$100,000) or will take one hundred twenty (120) days or more to repair, or (ii) the damage or destruction occurs in the last six (6) weeks of the then current Term of this Lease, or (iii) the time to repair or replace such damage or destruction will take longer than the remaining balance of the Term of this Lease. Notwithstanding the foregoing criteria of (i), (ii) or (iii) of this Section 8.1, Landlord shall restore the Premises in accordance with the terms of this Section 8.1 if Landlord as Tenant under the Master Lease is required or otherwise elects to restore the Premises pursuant

to the terms of the Master Lease. If Landlord does not terminate this Lease as provided in this Section 8.1, then Landlord shall (or at Landlord's option, Tenant shall) at Tenant's expense, repair, restore, or rebuild the Premises or the part thereof so damaged, as nearly as possible to the value, condition and character the same was in immediately prior to such damage or destruction, (such repair, restoration, rebuilding, together with any temporary repairs and property protecting pending completion of the work being herein called "Restoration") all in accordance with plans and specifications first approved by Landlord, unless Landlord shall have waived its right of approval in writing; subject, to all municipal, state and federal laws, codes, rules, regulations, ordinances and approvals pertaining to the construction, Restoration, use and operation of schools (provided Tenant will use reasonable efforts to comply with such laws, ordinances, codes, rules, regulations and to obtain such approvals). Tenant's obligation to repair, restore or replace the damage shall be limited to the amount of insurance proceeds available to Tenant. If Restoration costs exceed the available insurance proceeds, the excess costs may be paid by Landlord, at its sole option, in which event the excess costs paid by Landlord shall, at Landlord's option, be factored into the rent provided for in Section 3.1 of this Lease.

- 8.2 Rent insurance proceeds, if payable, shall be applied to the payment of, when and as due and payable, the installments of rent and other payments due under this Lease until Restoration has been completed or the Lease terminated if Landlord elects to terminate as provided in Section 8.1. The balance, if any, of such proceeds shall be paid to Tenant or as Tenant may direct.
- 8.3 If by reason of any damage or destruction mentioned in Section 8.1, any sums are to be paid under any insurance policy mentioned in Article 7 hereof, then after receiving the first mortgagee's prior written approval, and provided Landlord has not elected to terminate pursuant to Section 8.1 and there is no default by Tenant hereunder at such time, such sum shall be paid over to the Master Landlord under the Master Lease or the first mortgagee or to the Landlord as a depository (the "Depository"), which shall hold the same as a trust fund to be used for the payment of the cost of Restoration except as hereinafter provided; if there shall then be a default by Tenant hereunder the first mortgagee may, at its option, apply such sums to the payment of the debt secured by the first mortgage. Upon receipt by the Depository, at its option, of:
- 8.3.1 A certificate of Tenant dated not more than thirty (30) days prior to the date of such receipt (a) requesting the payment of a specified amount of such money; (b) describing in reasonable detail the work and materials applied to the Restoration since the date of the last certificate of Tenant; (c) stating that such specified amount does not exceed the cost of such work and material; (d) stating that such work and materials have not previously been made the basis of any request for or any withdrawal of money, and
- 8.3.2 A certificate of an independent engineer or independent architect designated by Tenant, who shall be approved by Landlord (which approval shall not be unreasonably withheld) stating (a) that the work and materials described in the accompanying certificate of Tenant were satisfactorily performed and furnished and were necessary, appropriate and desirable to the Restoration in accordance with the plans and specifications therefore approved by Landlord, unless Landlord shall have waived its right of approval in writing; (b) that

the amount specified in such certificate of Tenant is not in excess of the cost of such work and materials; (c) the additional amount, if any, required to complete the Restoration, and

- 8.3.3 Evidence satisfactory to the first mortgagee, if any, and Landlord, from time to time that the cost of the work and materials required to complete the Restoration can be paid from the insurance proceeds held by the Depository, provided that if such cost cannot so be paid, before any disbursement or any further disbursement there shall be deposited with Depository a sum which together with the insurance proceeds will be sufficient to pay for the cost of Restoration, and
- 8.3.4 Either (a) a written opinion of counsel satisfactory to Landlord and first mortgagee, or (b) the certification of a title company satisfactory to Landlord and first mortgagee, in either case that as of a date not more than two (2) days prior to the date of payment described below there exists no filed or recorded lien, encumbrance or change prior to or on a parity with the estate, rights and interest of Landlord (except for the first mortgage and permitted exceptions); that the Premises are not subject to any filed or recorded construction or other similar lien, encumbrance or charge, and that the fixtures and equipment are not subject to any title retention agreement, security agreement, lien or other encumbrance except those permitted herein, and
- 8.3.5 The Master Landlord under the Master Lease and the first mortgagee's prior written consent to make the payments in the manner and sums as provided for herein;

Then, the Depository shall pay either to the Tenant or through a disbursing agent or title company to the contractors performing such Restoration, ninety (90%) percent of the amount of such insurance monies specified in such certificate of Tenant, provided that the balance of funds then held by the Depository will be sufficient for the completion of the Restoration as determined by the certificate required by Paragraph 8.3.2.

- 8.4 The ten (10%) percent retainage will not be disbursed until the Restoration has been completed as certified by the architect and all appropriate governmental authorities. Any balance of insurance proceeds after the completion of Restoration, as evidenced by a certificate of such independent engineer or independent architect shall be paid to Landlord to the extent necessary to cure any existing Lease default, with the balance to Tenant. Concurrently with Tenant's delivery of each of the foregoing certificates and legal opinions, Tenant shall deliver duplicate copies thereof to Landlord if it is not the Depository. Upon written request by it, Landlord shall be notified by the Depository of each such amount so paid to Tenant and the date of each such payment.
- 8.5 Except as otherwise expressly provided herein, no destruction of or damage to the Premises or any part thereof, whether such damage or destruction be partial or total or otherwise, shall entitle or permit Tenant to surrender or terminate this Lease nor relieve Tenant from its liability to pay in full the rent and other sums and charges payable by Tenant hereunder or from any of its other obligations under this Lease. Tenant waives any rights now or hereafter conferred upon it by statute or otherwise to surrender this Lease or quit or surrender the Premises

or any part thereof or to receive any suspension, diminution, abatement or reduction of the rent or other sums and charges payable by Tenant hereunder on account of any such destruction or damage except that to the extent to which the Landlord shall have received and retained a sum as proceeds of any rent insurance pursuant to paragraph 8.2 hereof, Tenant shall be entitled to a credit therefore against its obligations under this Lease to pay the rent and such other sums and charges.

ARTICLE 9

Care of Premises

- 9.1 The Tenant will keep the Premises and all other property leased hereunder in good condition and repair, and will yield and deliver up the same at the expiration of the Lease Term in as good a condition as when taken, reasonable use and wear thereof, and damages thereto by Landlord or its agents or invitees, excepted. Tenant shall also maintain all portions of the Premises and adjoining areas in a clean and orderly condition, free of dirt, rubbish, snow, ice and unlawful obstructions, except for those attributable to Landlord's use or action. The Tenant may not make any repairs, alterations, additions, changes or improvements to the Premises without the written consent of Landlord. All such repairs, alterations, changes or improvements shall be completed and maintained in good workmanlike condition, free and clear of all liens and encumbrances arising out of such work.
- 9.2 Landlord shall have the right to enter upon the Premises for the purpose of making any repairs thereto and performing any work thereon which may be necessary by reason of Tenant's failure to make any such repairs or perform any such maintenance work as provided herein. Except in case of emergency, the privilege and right of entry shall be exercised at reasonable times and at reasonable hours. Tenant shall pay the cost of any such repairs and maintenance work to Landlord, upon demand therefore and upon submission of satisfactory evidence of Landlord's payment of such costs which sums shall be deemed additional rent hereunder.

ARTICLE 10

Liability

10.1 Tenant agrees to save Landlord and the first mortgagee harmless from any and all liabilities, losses, damages, penalties, costs and expenses arising from any injury or death to any person or damage to any property in, on, or about the Premises which arise out of (i) gross negligence or willful misconduct of Tenant, or (ii) any noncompliance or breach by Tenant of any of the terms, conditions, warranties, representations, or undertakings contained in or made pursuant to this Lease. Tenant agrees to procure at its own expense public liability and property damage, single limit liability insurance for the benefit of the Landlord, Tenant and the first mortgagee as their interests may appear, in amount not less than One Million Dollars (\$1,000,000) to keep such insurance in force during the Term hereof, and to deliver certificates of such coverage to the Landlord; Tenant agrees to furnish to Landlord upon request certificates of insurance evidencing such insurance. In the event Tenant defaults as to any such obligations,

Landlord may obtain such insurance and charge the cost thereof to the Tenant as additional rent which shall be payable with the next month's installment of rent hereunder.

- 10.2 Landlord agrees to save Tenant harmless from any and all liabilities, losses, damages, penalties, costs and expenses arising from any injury or death to any person or damage to any property in, on, or about the Premises to the extent caused by willful misconduct or negligence by the Landlord. Landlord agrees to procure at its own expense public liability and property damage, single limit liability insurance for the benefit of the Landlord and Tenant as their interests may appear, in amount not less than One Million Dollars (\$1,000,000) to keep such insurance in force during the Term hereof, and to deliver certificates of such coverage to the Tenant; Landlord agrees to furnish to Tenant upon request certificates of insurance evidencing such insurance.
- 10.3 Each party hereto, for itself and its respective successors and assigns (including any person, firm or corporation which may become subrogated to any of its rights), waives any and all rights and claims for recovery against the other party, and its officers, employees, agents, and assigns, or any of them, on account of any loss or damage to any of its property insured under any valid and collectible insurance policy or policies, to the extent of any recovery collectible under such insurance. Notwithstanding the foregoing, this waiver shall not be applicable if it has the effect of invalidating any insurance coverage of Landlord or Tenant.

ARTICLE 11

Compliance With Statutes

- 11.1 Tenant and Landlord agree that they will comply with all applicable statutes, police, sanitary, building, and fire rules, regulations, and instructions, and municipal ordinances, relating to or affecting the use of the Premises; and agree to reimburse either party for any damages or penalties suffered because of the other party's noncompliance with any such rules, regulations, instructions, ordinances, or statutes.
- 11.2 Tenant agrees that it will comply with and keep the Premises in compliance with the Fair Housing Amendments Act of 1988, the Americans with Disabilities Act of 1990, and any other applicable Federal, State or local statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to, or imposing liability or standards of conduct relating to barrier-free access or access of the handicapped or disabled to the Premises (collectively, "Access Laws"). The Tenant hereby indemnifies the Landlord and agrees to hold the Landlord harmless from and against all losses, liabilities, damages, injuries, costs, expenses and claims of any and every kind whatsoever paid, incurred or suffered by, or asserted against, the Landlord for violations or alleged violations of the Access Laws relating to the Premises, unless caused by Landlord or its agents or invitees. Landlord certifies that prior to leasing the Premises to Tenant, the Premises is and shall be compliant with all Access Laws.

Assignment And Sub-Letting

12.1 Tenant shall not assign, transfer or sub-let the Premises or any part thereof or any interest hereunder without first obtaining the written consent of the Landlord, which can be withheld by Landlord for any reason. Landlord may, in its sole discretion, assign, transfer, pledge and convey its rights, title and interests in the Premises and/or this Lease, without the consent of or notice to Tenant; provided, however, the terms and conditions of this Lease as set forth herein as of the execution date of this Lease shall have not been modified or amended and shall be subject to Section 23.2 hereof.

ARTICLE 13

Default

- 13.1 Tenant shall be in default upon occurrence of any of the following events:
- A. Failure by Tenant in the payment of any rent or other charge provided for herein on the day it becomes due and payable, following prior written notice from Landlord to Tenant for an opportunity to cure within ten (10) days of receipt of notice.
- B. Failure by Tenant or suffered by Tenant of any of the other covenants or conditions of this Lease required to be kept or performed by Tenant (other than payment of rent or other charges required by the terms of the Lease), following prior written notice from Landlord to Tenant for an opportunity to cure within ten (10) days of receipt of notice.
- C. Tenant's becoming insolvent, as that term is defined by any federal or state law or regulation (the "Insolvency Laws"); the appointment of a receiver or custodian for all or a substantial portion of Tenant's property or assets; the institution of a foreclosure action upon all or a substantial portion of Tenant's real or personal property; the filing of a voluntary petition under the provisions of the Bankruptcy Code or Insolvency Laws; the filing of an involuntary petition against Tenant as the subject debtor under the Bankruptcy Code or Insolvency Laws, which is either not dismissed within sixty (60) days of filing, or results in the issuance of an order for relief against the debtor, whichever is later; or Tenant's making or consenting to an assignment for the benefit of creditors or a common law composition of creditors, or if the Tenant's leasehold interest herein shall be levied on execution.
- D. Termination of Tenant's Management Agreement due to default made or suffered by Tenant in any of the covenants, terms or conditions of the Management Agreement required to be kept or performed by Tenant.
- E. Expiration or discontinuance for any reason of the Charter granted to Tenant by its authorizer (the "Charter"), other than an expiration or discontinuance which results in a new Charter effective as of termination of the existing Charter and with terms which

would not, in Landlord's opinion, substantially alter Tenant's ability to comply with the terms of the Lease, Management Agreement, or Charter.

- 13.2 In the event of default, Landlord may in addition to any other remedy, re-enter into and repossess the Premises and all other property leased hereunder and remove the Tenant and every other occupant, and may relet the Premises or any part thereof for any term, either shorter, longer, or the same, at a higher, lower, or the same rental, making such alterations as may be necessary, without working a termination of this Lease, provided, however, that Landlord at its option may in any of such events, terminate this Lease effective on the date specified in written notice from Landlord to Tenant.
- 13.3 If the Landlord shall, on any such default by the Tenant, obtain possession of the Premises by re-entry, summary proceedings, or otherwise, the Tenant shall pay to Landlord all expenses incurred in obtaining possession of the Premises, all expenses and commissions which may be paid in and about the letting of the same, and all other damages resulting from Tenant's default.
- No termination of this Lease pursuant to this section or repossession of the Premises or any part thereof or of any other property leased hereunder shall relieve Tenant of its liabilities and obligations under this Lease that accrue during the effect of this Lease, all of which shall survive any such termination or repossession and, if the Premises or any part thereof shall not have been relet, Tenant shall pay to Landlord as and for liquidated and agreed current damages the then present value of the rent and other sums and charges to be paid by Tenant until what would have been the end of the Lease Term in the absence of such termination or repossession. Landlord shall make a good faith effort to relet the Premises and alleviate the Tenant of additional damages. If the Premises shall have been relet, Tenant shall pay the Landlord, as and for liquidated and agreed current damages for Tenant's default, the present value of the equivalent of the amount of the rent and such other sums and other charges as would be payable under this Lease by Tenant if this Lease were still in effect, less the present value of the net proceeds, if any, of the reletting effected pursuant to the provisions hereof, after deducting all of Landlord's expenses in connection with such reletting, including, without limitation, all repossession costs, brokerage and management commissions, operating expenses, legal expenses, reasonable attorneys' fees, alteration costs and expenses of preparation of such reletting. Exercise of any remedy hereunder by Landlord shall not exclude the right to exercise any other remedy hereunder. Notwithstanding any of the foregoing obligations of Tenant stated herein to the contrary, upon termination of this Lease or Tenant's dispossession of the Premises, Tenant will automatically be relieved from and after the date of such termination or dispossession of all personal liability for the performance of any covenants or obligations on the part of the Tenant contained in this Lease thereafter to be performed except for those liabilities expressly stated to have survived such termination or dispossession as stated herein.

ARTICLE 14

Waiver of Breach

14.1 No waiver by either party hereto of any breach of any of the terms of this Lease shall be deemed to be a waiver of any other or subsequent breach.

ARTICLE 15

Surrender

15.1 Upon the termination of this Lease, Tenant shall quit and surrender the Premises and all property leased hereunder, broom clean, to Landlord without delay and in good order, condition and repair, ordinary wear and tear excepted, free and clear of all lettings and occupancies, (except those previously approved by Landlord), and free and clear of all liens and encumbrances, except that part of the Premises which have been taken through eminent domain, if any, after the delivery hereof, without any payment therefore by Landlord. Any personal property owned by Tenant or other occupant of the property (except that of subtenants previously approved by Landlord), which shall remain on the Premises after the termination of this Lease, and the removal of Tenant or such other occupant from the Premises, may at the option of Landlord, be deemed to have been abandoned and may be disposed of without accountability, as Landlord may see fit, without prejudice to the rights of any such other occupant as against the Tenant.

ARTICLE 16

Eminent Domain

- 16.1 If all or any part of the Premises shall be taken by any governmental authority under power of eminent domain, or by private purchase in lieu thereof, all damages awarded for such taking shall belong to and be the property of the Landlord, whether such damages shall be awarded as compensation for the taking of or diminution in value to the leasehold or the fee of the Premises and Tenant hereby irrevocably assigns to Landlord any award or payment to which Tenant may become entitled as a result thereof, provided, however, that the Tenant shall be entitled to receive from such governmental authority compensation for its fixtures and personal property so taken.
- 16.2 In the event that only a part of the Premises are so taken, and the part not so taken cannot be completed as an architectural unit for the use described in paragraph 4.1 hereof, Tenant shall have the option to terminate this Lease by serving written notice of termination on the Landlord within sixty (60) days after the taking.
- 16.3 If only a part of the Premises shall be so taken such that the part not so taken can be completed as an architectural unit for the use described in paragraph 4.1 hereof, the Tenant shall, as promptly as practicable, make a complete architectural unit of the remainder of the building on the Premises; and there shall be an abatement of the monthly rent hereinabove provided for in an amount equal to the percentage of the Premises and the building so taken.

Notices

17.1 All notices and communications required under this Lease shall be in writing and served personally or by registered or certified mail on the Landlord and on Tenant at the address indicated on page 1 hereof, or at such other address as may be designated in writing to the other party hereto by notice in accordance with this paragraph.

ARTICLE 18

Curing Of Tenant's Defaults

- 18.1 If Tenant shall at any time fail to make any payment or perform any act on its part to be made or performed hereunder, then Landlord without notice to Tenant, except when other notice is expressly provided for in this Lease and without waiving or releasing Tenant from the obligations of Tenant contained in this Lease, may (but shall be under no obligation to) make such payment or perform such act, and may enter upon the Premises for any such purpose, and take all such actions thereon as may be necessary therefore.
- 18.2 All sums to be paid by Landlord and all costs and expenses incurred by Landlord in connection with the performance of any such act referenced in Section 18.1, together with any consequential damages Landlord may suffer by reason of the failure of Tenant to make such payment or perform such act, and counsel fees incurred by Landlord in connection therewith or in enforcing its rights hereunder, shall be paid by Tenant to Landlord on demand as additional rent hereunder.
- 18.3 Tenant agrees to hold Landlord harmless from any inconvenience or interference with Tenant's operation of its business as a result of Landlord having to cure a default of Tenant hereunder.

ARTICLE 19

Construction Liens

19.1 Tenant will not create nor permit to be created or to remain, and will promptly discharge, at its sole cost and expense, any lien, encumbrance or charge upon the Premises or any part thereof, or upon Tenant's leasehold interest therein, except such as are created by Landlord or the first mortgagee.

Environmental Matters

- 20.1 Tenant shall not use or store any Hazardous Materials (as defined in Paragraph 20.3) on the Premises, except in compliance with all applicable federal, state and local laws and ordinances.
- To the extent directly related to the conduct of Tenant, Tenant's use of the Premises, or the operation of its business thereon, Tenant shall defend, indemnify and hold harmless Landlord, its employees, agents, officers and directors, from and against any claims, demands, penalties, fines, liabilities, settlements, damages, costs or expenses of whatever kind or nature, known or unknown, contingent or otherwise, arising out of, or in any way related to, (1) the presence, disposal or release of any Hazardous Materials by Tenant on, over, under, from or affecting the Premises or the soil, water, vegetation, buildings, personal property, persons by reason of Tenant's action or animals on the Premises; (2) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Materials existing on the Premises by reason of Tenant's action; (3) any lawsuit brought or threatened. settlement reached or government order relating to such Hazardous Materials existing on the Premises by reason of Tenant's action; and/or (4) any violation of laws, orders, regulations, requirements or demands of government authorities which are based upon or in any way related to such Hazardous Materials existing on the Premises by reason of Tenant's action including, without limitation, reasonable attorney's and consultant's fees, investigation and laboratory fees, court costs and litigation expenses. For purposes of this Lease, "Hazardous Materials" includes, without limitation, any flammable explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances or related materials defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Section 9601, et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. Section 1801, et seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Section 6901, et seq.), the Leaking Underground Storage Tank Act (MCLA Section 299.831 et seq.); and in the regulations adopted and publications promulgated pursuant to those Acts, or any other federal, state or local governmental law, ordinance, rule, or regulation.
- 20.3 Tenant shall promptly notify Landlord as soon as it knows of or suspects that any Hazardous Material has been released or that there is a threatened release on the Premises and it shall take such action at its sole expense and with due diligence, as is necessary to insure timely compliance with all legislative requirements unless caused by Landlord. Landlord shall promptly notify Tenant as soon as its knows or suspects any Hazardous Material has been released or that there is a threatened release on or in the Premises and Landlord shall take such action at its sole expense and with due diligence, as is necessary to ensure timely compliance with all legislative requirements unless caused by the Tenant.
- 20.4 The provisions of this Article 20 shall be in addition to any and all obligations and liabilities of Tenant and Landlord may have to each other at common law, and shall survive the expiration and termination of the Lease for any reason.

Late Charges

21.1 In the event of any failure by Tenant to pay the rent or any additional rent or charge payable upon the date due hereunder, Tenant shall also pay to Landlord, on demand, a late charge of five percent (5%) of such payment.

ARTICLE 22

First Mortgage And First Mortgagee

- 22.1 The term "first mortgage" as used herein shall mean any first mortgage hereafter becoming a first and paramount lien on the Premises, subject to easements, and restrictions of record, and all assignments, modifications, extensions and renewals thereof.
- 22.2 The term "first mortgagee" or "holder of the first mortgage" shall mean the holder at the particular time of the first mortgage as defined herein.

ARTICLE 23

Subordination; Estoppel Certificates

- 23.1 Tenant agrees that Landlord may choose to make this Lease subordinate or paramount to any mortgages, trust deeds and ground or underlying leases now or hereafter affecting the Premises and to any and all advances to be made thereunder or to be secured thereby, and to the interest and charges thereon, and all renewals, replacements and extensions thereof, provided the mortgagee, Landlord or trustee named in any such mortgages, trust deeds or leases agrees to recognize the Lease of Tenant in the event of foreclosure if Tenant is not in default. Tenant will execute promptly any instrument or certificate that Landlord may request to confirm such subordination, and hereby irrevocably appoints Landlord as Tenant's attorney-infact to execute such instrument or certificate on its behalf. Notwithstanding the foregoing, Tenant's possession of the Premises under this Lease shall not be disturbed by the mortgagee or other party unless Tenant breaches any of the provisions of this Lease and Tenant's right to possession is lawfully terminated.
- 23.2 Tenant, within ten (10) days after request by Landlord, will execute and deliver to Landlord an estoppel certificate proposed by Landlord identifying the commencement date and expiration date of this Lease and state that this Lease is unmodified and in full force and effect, or is in full force and effect as modified, stating the modifications, and stating that Tenant does not claim that Landlord is in default in any way, or listing any such claimed defaults. The certificate also will confirm the amount of monthly installments of rent payable hereunder and additional rent, if any, as of the date of the certificate, the date to which the rent has been paid in

advance, and the amount of any security deposit or pre-paid rent. If Tenant fails to deliver the executed certificate to Landlord within the ten (10) day period, the occurrence of the proposed certificate will be deemed conclusively confirmed.

23.3 Upon the receipt of a notice from the Landlord, the Tenant agrees to pay all such sums owing under this Lease directly to the account or party specified in such notice.

ARTICLE 24

Quiet Enjoyment

24.1 Landlord agrees that at all times when Tenant is not in default under the provisions and during the continuation of this Lease, Tenant's quiet and peaceable enjoyment of the Premises will not be disturbed or interfered with by Landlord or any person claiming by, through or under Landlord.

ARTICLE 25

Holding Over

25.1 If Tenant remains in possession of the Premises after the expiration of this Lease, Tenant will be deemed to be occupying the Premises as a Tenant at will, subject to all the provisions of this Lease to the extent that they can be applicable to a tenancy at will, except that the minimum rent for each month or fraction thereof that Tenant remains in possession will be double the regular monthly installments of rent otherwise payable hereunder.

ARTICLE 26

Remedies Not Exclusive; Waiver

- 26.1 Each and every of the rights, remedies and benefits provided by this Lease are cumulative, and are not exclusive of any other of said rights, remedies and benefits, or of any other rights, remedies and benefits allowed by law.
- 26.2 One or more waivers of any covenant or condition by Landlord will not be construed as a waiver of a further or subsequent breach of the same covenant or condition, and the consent or approval by Landlord to or of any act by Tenant requiring Landlord's consent or approval will not be deemed to waive or render unnecessary Landlord's consent to or approval of any subsequent similar act by Tenant.

Right To Show Premises

27.1 Landlord may show the Premises and may display about the Premises signs advertising the availability of the Premises at any time during the Term of this Lease.

ARTICLE 28

Definition Of Landlord; Landlord's Liability

- 28.1 The term "Landlord" as used in this Lease, so far as covenants, agreements, stipulations or obligations on the part of the Landlord are concerned, is limited to mean and include the tenant under the Master Lease to the Premises or its assignee, at the time in question, and in the event of any transfer or transfers of the title to such fee the Landlord herein named (and, in case of any subsequent transfers or conveyances, the then grantor) will automatically be relieved from and after the date of such transfer or conveyance of all personal liability for the performance of any covenants or obligations on the part of the Landlord contained in this Lease thereafter to be performed.
- 28.2 If Landlord fails to perform any provision of this Lease upon Landlord's part to be performed, and if as a consequence of such default Tenant recovers a money judgment against Landlord, such judgment may be satisfied only out of the proceeds of sale received upon execution of such judgment and levied thereon against the right, title and interest of Landlord in the Premises and out of rents or other income from such property receivable by Landlord, and Landlord shall not be personally liable for any deficiency.

ARTICLE 29

Brokers

29.1 Landlord and Tenant each represent and warrant to the other that neither of them has contacted a broker, finder or similar person in connection with this Lease, and each party shall defend, indemnify and hold the other harmless from and against all liability, cost and expense, including reasonable attorneys' fees, incurred as a consequence of any claim asserted by a person alleging to have dealt with one of the parties hereto in connection with this Lease.

ARTICLE 30

General

30.1 References in this Lease to persons, entities and items have been generalized for ease of reading. Therefore, references to a single person, entity or item will also mean more than one person, entity or thing whenever such usage is appropriate (for example, "Tenant" may include, if appropriate, a group of persons acting as a single entity, or as Tenants-in-common).

Similarly, pronouns of any gender should be considered inter-changeable with pronouns of other genders.

- 30.2 All agreements and obligations of Tenant and Landlord under this Lease are joint and several in nature. Any waiver or waivers by either party of any of the provisions of this Lease will not constitute a waiver of any later breach of that provision, and any consent or approval given by either such party with respect to any act, neglect or default by the other party will not waive or make unnecessary the other party's consent or approval with respect to any later similar act, neglect or default by such other party.
- 30.3 In the event any provision contained herein shall be held to be invalid or unlawful for any reason, such provision shall be deemed to be stricken from this Lease, with the understanding that the remaining provisions hereof shall continue to be binding on the parties.
- 30.4 Topical headings appearing in this Lease are for convenience only. They do not define, limit or construe the contents of any paragraphs or clauses.
- 30.5 This Lease can be modified or amended only by a written agreement signed by Landlord and Tenant.
- 30.6 All provisions of this Lease are and will be binding on the heirs, executors, administrators, personal representatives, successors and assigns of Landlord and Tenant.
- 30.7 The laws of the State of Michigan will control in the construction and enforcement of this Lease.
 - 30.8 Time is of the essence in all respects under this Lease.
- 30.8 Tenant's obligations, and right to possession, under the terms of this Lease are contingent upon execution of a charter contract between the Tenant and its authorizer, and execution of the Management Agreement in a form acceptable to NHA.

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the day and year first above written.

LANDLORD:

National Heritage Academies, Inc.

a Michigan corporation

TENANT:

Detroit Enterprise Academy

By: Brenda Wask

3-3-20/1 Brenda Mack

Its: Board President

Detroit Enterprise - Lease - v2.2.28.11

EXHIBIT A Detroit Enterprise Academy

Parcel #1:

Lots 57 and 59 and the South 8.75 feet of Lot 61, Beniteau's Subdivision of Lot 4, as recorded in Liber 7, Page 59 of Plats, Wayne County Records.

Tax Parcel Item No. 000668 Ward No. 21.

Street Address: 11142 Kercheval, Detroit, Michigan

Parcel #2:

North 17 feet of Lot 67 and all of Lots 68 through 73, inclusive, and adjacent vacated alley, Defer's Subdivision, as recorded in Liber 25, Page 37 of Plats, Wayne County Records.

ALSO

South 10.64 feet of Lot 62 and all of Lots 60, 58, 56, 54 and 52 and the North 12 feet of Lot 50 and all of lot 48 and Lot 46, except the South 9.60 feet of the East 10 feet and the vacated alley South and adjacent to the North 12 feet of Lot 50, Beniteau's Subdivision of Lot 4, as recorded in Liber 7, Page 59 of Plats, Wayne County Records.

Part of Tax Parcel Item No. 000687 Ward No. 21. Street Address: 11224 Kercheval, Detroit, Michigan

Parcel #3:

Lot 44, except East 10 feet deeded for alley, Beniteau's Subdivision of Lot 4, as recorded in Liber 7, Page 59 of Plats, Wayne County Records.

Part of Tax Parcel Item No. 043135.001 Ward No. 21. Street Address: 1628 Beniteau, Detroit, Michigan

Parcel #4:

Land in the City of Detroit, County of Wayne and State of Michigan being the West 105 feet of Lot 42; Beniteau's Subdivision of Lot 4 of the Subdivision of the St. Jean Farm, Private Claim 26, Grosse Pointe Township, Wayne County, Michigan, Rec'd L.7, P.59 Plats, Wayne County Records.

Part of Tax Parcel Item No. 043134 Ward No. 21 Street Address: 1622 Beniteau, Detroit, Michigan

More Commonly Known as:

Detroit Enterprise Academy 11224 Kercheval Street Detroit, MI 48214

CERTIFICATE OF USE AND OCCUPANCY

PERMANENT

Michigan Department of Labor & Economic Growth Bureau of Construction Codes & Fire Safety/Building Division P. O. Box 30254 Lansing, MI 48909 (517) 241-9317

Building Permit No. LB019853
Detroit Enterprise Academy
11224 Kercheval Avenue
Detroit, Michigan
Wayne County

The above named building of Use Group E and Construction Type 2B is approved for use and occupancy.

THIS APPROVAL IS GRANTED UNDER THE AUTHORITY OF SECTIONS 13 OF ACT 230 OF THE PUBLIC ACTS OF 1972, AS AMENDED, BEING §125.1513 OF THE MICHIGAN COMPILED LAWS, AND, IN ACCORDANCE WITH SECTION 110.0 OF THE STATE BUILDING CODE. THIS SHALL SUPERSEDE AND VOID ANY PREVIOUS APPROVAL OF USE AND OCCUPANCY.

Charles & Curts

Larry Lehman, Chief Charles E. Curtis, Assistant Chief Building Division December 21, 2004